NEW ISSUE
DTC BOOK-ENTRY ONLY

NOT RATED
See "NO RATING" herein

In the opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for purposes of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS—Tax Matters" herein.

$3,495,000
COUNTY OF PLACER
LIMITED OBLIGATION IMPROVEMENT BONDS
PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1
(PLACER COUNTY, CALIFORNIA)

DATED: Date of Delivery **DUE: September 2, as shown below**

The County of Placer Limited Obligation Improvement Bonds, Placer Corporate Center Assessment District No. 1 (the "Bonds"), are being issued in the aggregate principal amount of $3,495,000. The Bonds are being issued for the purpose of acquiring public facilities within the Placer Corporate Center Assessment District No. 1 (the "Assessment District") as described herein.

Under the provisions of the Improvement Bond Act of 1915, installments of principal and interest sufficient to meet annual debt service on the Bonds are included on the regular county tax bills sent to owners of property against which there are unpaid assessments. These annual assessment installments are to be paid into the Redemption Fund, to be held by the County of Placer (the "County"), and used to pay debt service on the Bonds as such becomes due. Unpaid assessments constitute fixed liens on the parcels assessed and do not constitute a personal indebtedness of the respective owners of such parcels. Because sale of the parcel is the only available remedy in the event of delinquency, the County has covenanted to initiate judicial proceedings to foreclose the lien and sell the property securing the delinquent assessment, under the circumstances described herein. See "SOURCE OF PAYMENT FOR THE BONDS".

Neither the faith and credit nor the taxing power of the County, the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

The Bonds are being issued as fully registered bonds, without coupons, and when delivered will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry only form and only in authorized denominations, as described in this Official Statement. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds will be payable to Cede & Co., as nominee for DTC, which is obligated to remit such amounts to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. See "THE BONDS—DTC Book-Entry Only" herein.

Interest on the Bonds are first payable on March 2, 2001, and semiannually thereafter on each March 2 and September 2. The Bonds are subject to optional and mandatory redemption prior to their respective payment dates as described herein. See "THE BONDS—Redemption Provisions" herein.

This cover page contains certain information for general reference only. It is not intended to be a summary of all factors relevant to an investment in the Bonds. The information set forth in this Official Statement, including information under the heading "Special Risk Factors" should be read in its entirety.

MATURITY SCHEDULE

Maturity Date September 2	Principal Amount	Coupon Rate	Reoffering Price	Maturity Date September 2	Principal Amount	Coupon Rate	Reoffering Price
2001	$ 35,000	4.75 %	100.0 %	2009	$ 70,000	5.60 %	100.0 %
2002	45,000	4.90	100.0	2010	70,000	5.70	100.0
2003	50,000	5.00	100.0	2011	75,000	5.80	100.0
2004	50,000	5.10	100.0	2012	80,000	5.90	100.0
2005	55,000	5.20	100.0	2013	85,000	6.00	100.0
2006	60,000	5.30	100.0	2014	90,000	6.10	100.0
2007	60,000	5.40	100.0	2015	95,000	6.15	100.0
2008	65,000	5.50	100.0	2016	100,000	6.20	100.0

$480,000 of 6.30% Term Bonds due September 2, 2020; Priced @ Par
$805,000 of 6.40% Term Bonds due September 2, 2025; Priced @ Par
$1,125,000 of 6.50% Term Bonds due September 2, 2030; Priced @ Par

The Bonds will be offered when, as and if executed and delivered and received by the purchaser, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel. Certain legal matters regarding the Official Statement will be passed upon for the County by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Disclosure Counsel. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC in New York, New York on or about August 17, 2000.

This Official Statement is Dated August 1, 2000

IBIS Securities, LLC

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE COUNTY TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED HEREIN, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COUNTY. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE BONDS BY A PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE AN OFFER, SOLICITATION OR SALE.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE BONDS. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, PROJECTIONS, FORECASTS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED HEREIN, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS REPRESENTATIONS OF FACT.

THE INFORMATION SET FORTH HEREIN HAS BEEN PROVIDED BY THE COUNTY OR BEEN OBTAINED FROM OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE STATUS OF DEVELOPMENT OF THE ASSESSMENT DISTRICT SINCE THE DATE HEREOF.

THIS OFFICIAL STATEMENT IS SUBMITTED WITH RESPECT TO THE SALE OF THE BONDS REFERRED TO HEREIN AND MAY NOT BE REPRODUCED OR USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE, UNLESS AUTHORIZED IN WRITING BY THE COUNTY. ALL SUMMARIES OF DOCUMENTS AND LAWS CONTAINED HEREIN ARE MADE SUBJECT TO THE COMPLETE PROVISIONS AND DO NOT PURPORT TO BE COMPLETE STATEMENTS OF ANY OR ALL SUCH PROVISIONS.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ASSESSMENT DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN MARKET PRICES OR YIELDS OF THE BONDS OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS, BANKS OR OTHERS AT PRICES OR YIELDS LOWER OR HIGHER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

CUSIP Numbers

Maturity Date September 2	CUSIP Number	Maturity Date September 2	CUSIP Number
2001	725904 CV6	2010	725904 DE3
2002	725904 CU4	2011	725904 DF0
2003	725904 CX2	2012	725904 DG8
2004	725904 CY0	2013	725904 DH6
2005	725904 CZ7	2014	725904 DJ2
2006	725904 DA1	2015	725904 DK9
2007	725904 DB9	2016	725904 DL7
2008	725904 DC7	2020	725904 DQ6
2009	725904 DD5	2025	725904 DV5
		2030	725904 EA0

$3,495,000
COUNTY OF PLACER
LIMITED OBLIGATION IMPROVEMENT BONDS
PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1

BOARD OF SUPERVISORS

Bill Santucci, District 1, Roseville
Robert Weygandt, District 2, Lincoln
Harriet White, District 3, Auburn
Jim Williams, District 4, Loomis
Rex Bloomfield, District 5, Meadow Vista

COUNTY OFFICIALS

Donald G. Lunsford, County Executive Officer
Jenine Windeshausen, Treasurer-Tax Collector
Anthony J. LaBouff, Esq., County Counsel
Timothy Hackworth, Acting Director of Public Works

DEVELOPER

Sierra Calvine, LLC
3600 American River Drive, Suite 105
Sacramento, California 95864
(916) 974-3355

DEVELOPER'S ENGINEER

Spannagel and Associates, Inc.
3845 Atherton Road, Suite 7
Rocklin, California 95765
(916) 624-1618

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP
400 Sansome Street
San Francisco, California 94111
(415) 392-1122

DISCLOSURE COUNSEL

Kronick, Moskovitz, Tiedemann & Girard
a Professional Corporation
400 Capitol Mall, 27th Floor
Sacramento, California 95814-4417
(916) 321-4500

FINANCIAL ADVISOR

Government Financial Strategies, Inc.
1228 "N" Street, Suite Thirteen
Sacramento, California 95814-5609
(916) 444-5100

APPRAISER

Seevers, Jordan, Ziegenmeyer
2220 Douglas Boulevard, Suite 220
Roseville, California
(916) 782-3113

PAYING AGENT

Treasurer-Tax Collector, County of Placer
2976 Richardson Drive
Auburn, California 95603
(530) 889-4140

$3,495,000
COUNTY OF PLACER
LIMITED OBLIGATION IMPROVEMENT BONDS
PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1

TABLE OF CONTENTS

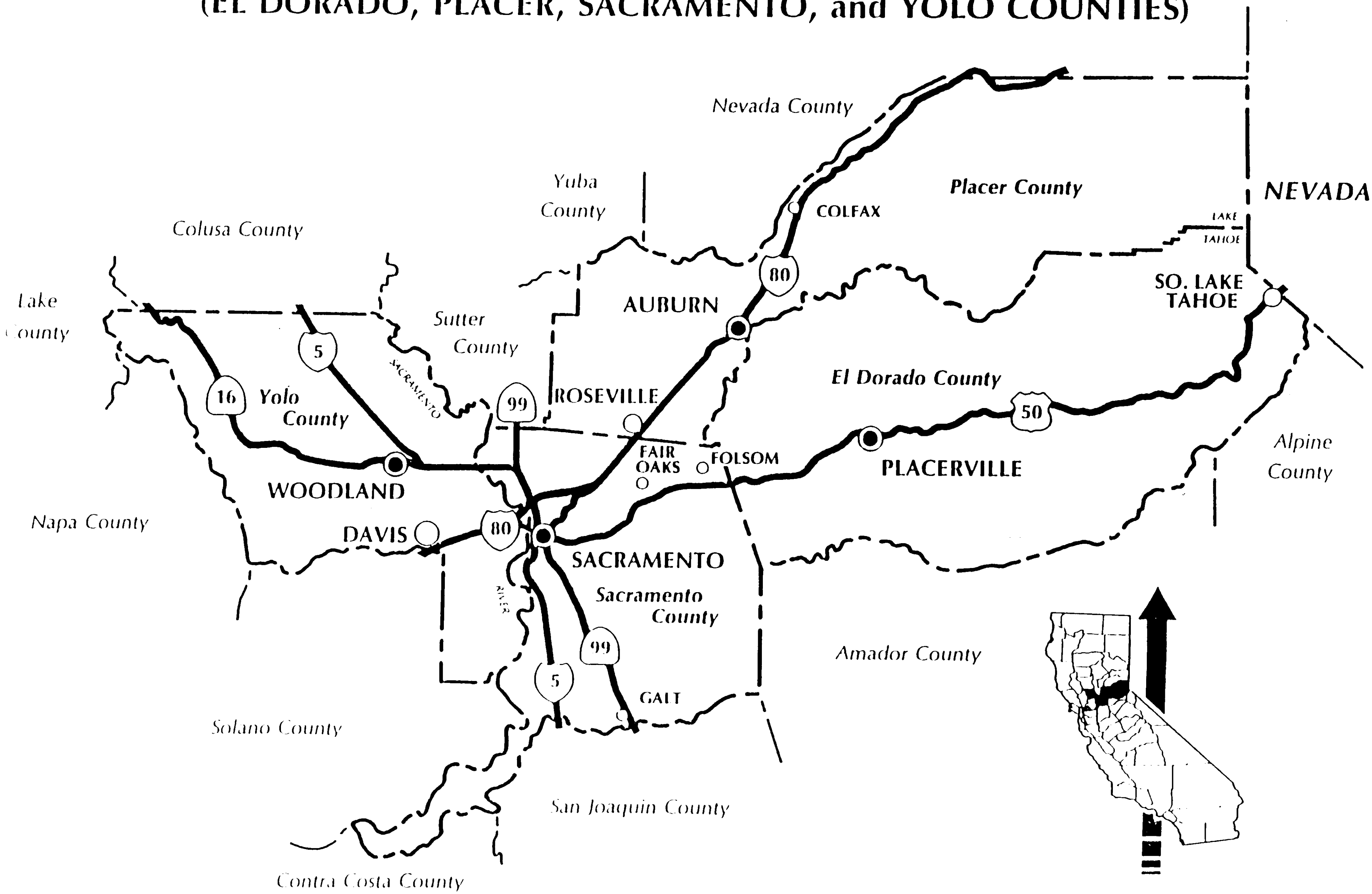
Page #

INTRODUCTORY STATEMENT 1
Authority for Issuance 1
The Assessment District 1
Professionals Involved 2
Other Information 2
THE BONDS 3
General Provisions 3
Redemption Provisions 3
DTC Book-Entry Only 4
Sources and Uses of Funds 5
Investment of Funds 6
Debt Service Schedule 7
SOURCE OF PAYMENT FOR THE BONDS 9
General 9
Limited Obligation Upon Delinquency 9
Reserve Sub-Fund 9
Covenant to Commence Superior Court Foreclosure 9
Priority of Lien 10
THE PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1 11
General Information Concerning the Assessment District 11
Description of Improvements 11
Summary of Assessment Spread 12
Appraised Value-to-Lien Ratio 13
2000-01 Assessment Installments 15
Property Ownership 16
Direct and Overlapping Debt 17
PLANNED FINANCING AND DEVELOPMENT 18
Placer Corporate Center Financing Plan 18
Placer Corporate Center Development Plan 20
Development Experience 20
SPECIAL RISK FACTORS 22
General 22
Bankruptcy and Foreclosure 22
Proposition 218 23
Property Owned by the FDIC 23
Availability of Funds to Pay Delinquent Assessment Installments 24
Limited Obligation Upon Delinquency 24
Disclosure to Future Property Owners 24
Factors Which May Affect Property Values 24
Concentration of Ownership 25
Direct and Overlapping Indebtedness 25

LEGAL MATTERS 26
No Litigation 26
Legal Opinion 26
Tax Matters 26
NO RATING 27
FINANCIAL ADVISOR 27
UNDERWRITING AND INITIAL OFFERING PRICES 27
CONTINUING DISCLOSURE 27
ADDITIONAL INFORMATION 28

APPENDIX A AREA PROFILE
APPENDIX B LOCATION MAP AND PARCEL MAP
APPENDIX C SELECTED PAGES OF THE UPDATED APPRAISAL
APPENDIX D UNAUDITED—REVIEWED FINANCIAL STATEMENTS OF THE DEVELOPER FOR THE YEAR ENDED DECEMBER 31, 1999
APPENDIX E FORM OF CONTINUING DISCLOSURE CERTIFICATES
APPENDIX F PROPOSED FORM OF OPINION OF BOND COUNSEL

Sacramento
Metropolitan Statistical Area
(EL DORADO, PLACER, SACRAMENTO, and YOLO COUNTIES)



OFFICIAL STATEMENT

$3,495,000
COUNTY OF PLACER
LIMITED OBLIGATION IMPROVEMENT BONDS
PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1

INTRODUCTORY STATEMENT

The purpose of this Official Statement, which includes the Cover Page, Table of Contents and attached Appendices (the "Official Statement"), is to provide certain information concerning the sale and delivery of the County of Placer, Limited Obligation Improvement Bonds, Placer Corporate Center Assessment District No. 1 (the "Bonds"). The Bonds are being issued for the purpose of acquiring public facilities within the Placer Corporate Center Assessment District No. 1 (the "Assessment District") as described herein.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to this Official Statement. This Introduction is qualified by more complete and detailed information contained in the entire Official Statement, including the Cover Page and attached Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement by prospective investors of the Bonds. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Authority for Issuance

The formation proceedings for the Assessment District have been conducted pursuant to the Municipal Improvement Act of 1913 ("the 1913 Act") and the Resolution of Intention adopted by the Board of Supervisors (the "Board") of the County of Placer (the "County") on May 23, 2000 (the "Resolution of Intention"). The County commenced formation proceedings pursuant to a petition filed by Sierra Calvine, LLC ("Sierra Calvine"), as the owner of all assessable land within the District at the date of its filing.

The Bonds are being issued pursuant to a Resolution Authorizing Issuance of Bonds adopted by the Board on July 11, 2000 (the "Resolution Authorizing Issuance of Bonds"), and the provisions of the Improvement Bond Act of 1915 (the "1915 Act"). Together, the 1913 Act and the 1915 Act are collectively referred to herein as the "Bond Law".

The Assessment District

The Assessment District is located on Highway 65, approximately 2 miles north of Interstate 80, in an unincorporated area of southern Placer County between the cities of Roseville and Rocklin.

The Assessment District is located in the Sunset Industrial Area, an area designated by the Placer County Board of Supervisors in 1997 as a commercial corridor. The Sunset Industrial Area, which straddles Highway 65 between the cities of Roseville and

Lincoln, is the largest tract designated for commercial development by any local agency in the four-county Sacramento area. It is zoned for three types of businesses: industrial, commercial, and retail. Growth in the area is fueled by well-known electronics firms. Hewlett-Packard Co, which designs, manufactures, markets and supports computer products, employs 5,400 at its Roseville facility; NEC Electronics, which manufactures semiconductor devices, employs 1,500 in Roseville, Artesyn Solutions Inc., which provides repair, logistics and contract assembly of electronic computing and telecommunication products, employs 1,171 in nearby Lincoln. Numerous satellite firms support the major technology firms in the area. Many other large companies have developed plant facilities in the area including PRIDE Industries, which provides mail services and fulfillment, facility support services, and light manufacturing, employs 2,200 in Roseville; Herman Miller, which manufactures open office furniture systems, employs 405 in Rocklin; Formica Corporation, which manufactures and distributes Formica-brand high pressure laminate, employs 400 in Rocklin, the Oracle Corporation, which provides world-wide technical software support and performs accounting operations, employs 400 in Rocklin, and the Albertson's grocery store distribution center, employs 350 in Roseville. Pacific Bell is also planning a central office for up to 1,150 employees in the Sunset Industrial Area. See "APPENDIX A AREA PROFILE" herein.

Other development in the vicinity of the Assessment District includes the Atherton Technical Center (tenants include TASQ Technology Inc., Vodafone Air Touch PLC, and the GAP) to the east, the Hewlett-Packard distribution facility to the north, and the Union Pacific Railroad railyards to the west. The land immediately north and south of the Assessment District is zoned for industrial use but is currently vacant. The Union Pacific Railroad employs approximately 1,294 people at its Roseville operation, which is among the most important railyards in the Pacific Northwest.

The land within the Assessment District was purchased by Sierra Holdings, LLC ("Sierra Holdings"), in April 1998, from the Stanford Ranch I, LLC, and is being developed as the Placer Corporate Center. Sierra Holdings formed Sierra Calvine (the "Developer") to facilitate the acquisition, ownership and development of Placer Corporate Center. Placer Corporate Center has been subdivided into 21 lots, which total approximately 106.2 acres. Twelve of the lots, representing approximately 71.0% of the total acreage, will be for industrial use; five of the lots, representing approximately 23.4% of the total acreage, will be used for commercial/business professional use; and four of the lots, representing approximately 5.6% of the total acreage, will be used for Highway Commercial use. See "PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1—General Information Concerning the Assessment District."

Professionals Involved

Government Financial Strategies, Inc., Sacramento, California, has acted as Financial Advisor to the County with respect to the sale and delivery of the Bonds. See "FINANCIAL ADVISOR" herein. All proceedings in connection with the sale and delivery of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the County with respect to the Bonds. Orrick, Herrington & Sutcliffe LLP undertakes no responsibility for the accuracy or completeness for the information contained in this Official Statement. Certain legal matters regarding the Official Statement will be passed upon for the County by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Disclosure Counsel. The compensation of Orrick, Herrington & Sutcliffe LLP and Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation is contingent upon the issuance of the Bonds.

Other Information

This Official Statement may be considered current only as of its dated date affixed to the Cover Page hereof, and the information contained herein is subject to change. Brief descriptions of the Bonds, the security for the Bonds and the Assessment District are included in this Official Statement, together with summaries of certain provisions relating to the Resolution of Intention and the Resolution Authorizing Issuance of Bonds (collectively, the Resolution of Intention and the Resolution Authorizing Issuance of Bonds are referred to herein as the "Resolutions"). Such descriptions do not purport to be comprehensive or definitive, and all references made herein to the Resolutions approved by the County are qualified in their entirety by reference to such document, and all references herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Resolutions.

Information concerning this Official Statement, the Bonds, the Assessment District, the Resolutions or any other information relating to the sale and delivery of the Bonds is available for public inspection and may be obtained by contacting the County through the Office of the Treasurer-Tax Collector at the address and telephone number set forth on page "iii" of this Official Statement, or by contacting the County's Financial Advisor, Government Financial Strategies, Inc., 1228 "N" Street, Suite Thirteen, Sacramento, California 95814-5609, telephone (916) 444-5100, facsimile telephone (916) 444-5109.

In addition, the County and the Developer have undertaken to provide certain information annually to the Nationally Recognized Municipal Securities Information Repositories and upon the occurrence of specified significant events to the Municipal Securities Rulemaking Board pursuant to S.E.C. Rule 15c2-12. See "CONTINUING DISCLOSURE" and "APPENDIX C FORM OF CONTINUING DISCLOSURE CERTIFICATES" herein.

THE BONDS

General Provisions

The Bonds will be issued in the aggregate principal amount of $3,495,000. The Bonds will be issued in fully registered form, without coupons, in denominations of $5,000 principal amount or any integral multiple thereof. Interest on the Bonds will be calculated based on a 360-day year consisting of twelve (12) 30-day months. The Bonds will be dated and interest thereon will be payable from the date of delivery, at the rates per annum as shown on the Cover Page hereto, payable on March 2, 2001, and semiannually thereafter on March 2 and September 2 (individually, an "Interest Payment Date"), and will mature on September 2 in each of the designated years (a "Principal Payment Date"), and in the principal amounts as shown on the Cover Page hereto.

The Bonds will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry only form, and no physical certificates will be made available to the Beneficial Owners to represent their ownership interests in the Bonds. So long as Cede & Co. is the registered owner of the Bonds, principal and interest and premiums, if any, with respect to the Bonds will be payable to Cede & Co., as nominee for DTC, which is obligated to remit such principal, interest and premiums, if any, to the DTC Participants, as defined by DTC, for subsequent disbursement to the Beneficial Owners of the Bonds. See "THE BONDS—DTC Book-Entry Only" herein.

Redemption Provisions

Optional Redemption. Any Bond may be called for redemption prior to maturity on any March 2 or September 2 by paying the redemption prices specified below thereon plus accrued interest to the date of redemption:

Redemption Prices

103%	if redeemed on or before September 2, 2008;
102%	if redeemed on March 2, 2009 or September 2, 2009;
101%	if redeemed on March 2, 2010 or September 2, 2010;
100%	if redeemed on March 2, 2011 or thereafter.

Mandatory Sinking Account Redemption. The Bonds maturing on September 2, 2020, September 2, 2025, and September 2, 2030, are subject to mandatory sinking account redemption in part and by lot on each September 2, as specified in the table below, at a redemption price equal to the principal amount thereof together with accrued interest to the date fixed for redemption, without premium, as follows:

Mandatory Sinking Account Redemption Schedule
Placer Corporate Center Assessment District No. 1

Year Ending September 2	Sinking Fund Amount	Year Ending September 2	Sinking Fund Amount
2017	$ 110,000	2026	$ 195,000
2018	115,000	2027	210,000
2019	125,000	2028	225,000
2020 (a)	130,000	2029	240,000
		2030 (c)	255,000
2021	$ 140,000		
2022	150,000		
2023	160,000		
2024	170,000		
2025 (b)	185,000		

(a) Indicates maturity date of the $480,000 Term Bond due September 2, 2020.
(b) Indicates maturity date of the $805,000 Term Bond due September 2, 2025.
(c) Indicates maturity date of the $1,125,000 Term Bond due September 2, 2030.

No interest shall accrue on a Bond beyond the March 2 or September 2 for which such Bond is called for redemption if funds available for such redemption are on deposit with the Paying Agent. Notice of redemption must be given by registered or certified mail, or by personal service, at least 30 days prior to the redemption date. The determination as to which Bond or Bonds are to be called for redemption shall be made by the County in accordance with the Bond Law. Transfers of property ownership within the Assessment District and certain other circumstances including refunding of the Bonds, could result in prepayment of assessments. Such prepayment would result in redemption of all or a portion of the Bonds prior to their stated maturities. It is not possible to estimate the rate at which such redemptions, if any, may occur.

The Bonds are subject to refunding pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds.

DTC Book-Entry Only

The following information concerning DTC and DTC's book-entry-only system has been obtained from DTC. The County takes no responsibility for the accuracy or completeness thereof. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The following description includes the procedures and record-keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, other payments with respect to the Bonds to Direct Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such Bonds, and notices to beneficial owners. However, the Beneficial Owners should not rely on the following information with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds (in this section, referred to as the "Securities"). The Securities will be issued as fully-registered securities in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (the "Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its direct participants (the "Direct Participants") and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The rules (the "Rules") applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive Securities representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to the Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices, if any, will be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date identified in a listing attached to the Omnibus Proxy.

Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to the Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates will be required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

Sources and Uses of Funds

The proceeds from the sale of the Bonds will be paid to the Treasurer-Tax Collector of Placer County (the "County Treasurer") for deposit into the following respective sub-funds of the fund maintained by the County Treasurer for the Assessment District: (i) into the Reserve Sub-Fund, the amount of the Reserve Requirement; and (ii) the remaining proceeds of the Bonds will be deposited in the Improvement Sub-Fund to pay the costs of certain public facilities within the Assessment District (the "Improvements") and pay costs associated with the financing. All moneys will be invested by the County Treasurer in any one or more investments generally permitted under the Resolutions and the County's Investment Policy.

The estimated sources and uses of funds in connection with the assessments, the sale and delivery of the Bonds, and the construction of the Improvements are set forth in the exhibit below.

Sources and Uses of Funds Schedule
Placer Corporate Center Assessment District No. 1

SOURCES OF FUNDS	
Par Amount of Bonds	$3,495,000.00
Paid Assessments	$578,161.14
TOTAL SOURCES OF FUNDS	$4,073,161.14
USES OF FUNDS	
Improvement Sub-Fund	$3,587,176.14
Debt Service Reserve Sub-Fund	$272,175.00
Costs of Issuance	$148,500.00
Underwriter's Discount	$65,310.00
TOTAL USES OF FUNDS	$4,073,161.14

Note: Prepaid assessments on Lots 2 and 19 reflect a 12% discount for cash payment.

Investment of Funds

This section provides a general description of the County's investment policy, current portfolio holdings, and valuation procedures. Further information may be obtained by contacting the County of Placer, Office of the Treasurer-Tax Collector, 2976 Richardson Drive, Auburn, California 95603, Telephone (530) 889-4140.

The County Treasurer manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited in the Treasury by the County, all County school districts, various special districts, and some cities within the County. State law requires that all moneys of the County, school districts and certain special districts be held in the County Treasury. The County Treasurer accepts funds only from agencies located within the County. The moneys on deposit are predominantly derived from local government revenues consisting of property taxes, state and federal funding and other fees and charges.

Moneys deposited in the County Treasury by the participants represent an undivided interest in all assets and investments in the County Treasury based upon the amount deposited and the average daily balances. All investments in the County Treasurer's investment pool are amortized and accrued monthly and are priced on a monthly basis for informational purposes. Gains and losses are recorded when they are actually realized upon sale or other disposition of an investment and adjusting entries for market value are made at year-end if necessary as required by GASB 31. Investment earnings, less actual treasury administrative costs, are distributed monthly to all pool participants on a pro-rata basis based on average daily balance.

The County's investment policy states that preservation of capital and maintenance of liquidity shall be of primary concern with earnings to be at market rates of return commensurate with minimum levels of risk. The County Treasurer maintains a reserve of cash and cash equivalents projected to be more than sufficient to meet foreseeable liquidity needs. The policy allows for the purchase of a variety of securities as specified by California Government Code Sections 53601 and 53635 with further limitations and specifications regarding market risk, maturity, credit ratings, and diversification. The County's Treasury Oversight Committee (the "Treasury Oversight Committee") is required by state law to approve the investment policy and monitor conformance to the investment policy. The investment policy is approved by the Treasury Oversight Committee and adopted by the Board of Supervisors of the County annually. Copies of the County's investment policy can be obtained from the County Treasurer-Tax Collector, 2976 Richardson Drive, Auburn, California 95603.

The following statistics are as of April 30, 2000, unless otherwise specified. The balance on deposit in the County Treasury was $454,852,250.56 with a market value of $450,730,560.65 or 99.094% of cost. The market value and liquidity of the pool depends upon, among other factors, cash position and the maturity of various investments. The weighted average maturity of the pool was 268 days. The pool includes approximately $202 million in cash or cash equivalents. 2.25% of the assets of the investment pool come from public agencies that can make discretionary withdrawals for the purpose of making alternative investments. As of April 30, 2000, the pool had a weighted average duration of approximately 0.70, indicating that for every 1% increase in interest rates, the pool will decrease 0.70% in value on a weighted average basis.

A summary of the types of securities in which funds in Treasury Pool are invested as of April 30, 2000 is shown below:

Placer County Investment Pool
Excerpts from Portfolio Summary
As of April 30, 2000

Type of Investment	Book Value	Market Value
U.S. Treasury Coupons	$ 86,888,439.73	$ 86,219,563.87
U.S. Treasury Discounts-Amortizing	1,983,937.77	1,983,125.00
Federal Agency Coupons	134,745,014.20	131,893,920.55
Federal Agency Discounts-Amortizing	44,559,828.34	44,531,800.55
Mortgage Backed Securities	290,048.96	102,455.57
Small Business Administration Loans	103,108.35	98,382.95
Bankers Acceptances-Amortizing	16,091,194.12	16,091,194.12
Commercial Paper-Amortizing[1]	112,328,715.23	112,328,715.23
Negotiated Certificates of Deposit	3,036,252.60	3,045,167.00
Collateralized Certificates of Deposit[1]	6,000,000.00	6,000,000.00
Medium Term Notes	42,188,314.91	41,798,839.46
Total Investments	448,214,854.21	444,093,164.30
Cash		
Passbook/Checking	6,637,396.35	6,637,396.35
Total Cash and Investments	454,852,250.56	450,730,560.65

[1] Market Value priced at Book Value

Source: County of Placer, Treasurer-Tax Collector's Office

Debt Service Schedule

The debt service requirements of the Bonds are set forth on the following page.

Debt Service Schedule
Placer Corporate Center Assessment District No. 1

Date	Principal		Coupon Interest Rate	Interest	Semi-Annual Debt Service	Annual Debt Service	Estimated Semi-Annual Reserve Fund Earnings	Estimated Net Semi-Annual Debt Service	Estimated Net Annual Debt Service
Sep 2, 2000							($595.38)		
Mar 2, 2001				$117,146.25	$117,146.25		($7,144.59)	$109,406.28	
Sep 2, 2001	$35,000		4.750%	$108,135.00	$143,135.00	$260,281.25	($7,144.59)	$135,990.41	$245,396.69
Mar 2, 2002				$107,303.75	$107,303.75		($7,144.59)	$100,159.16	
Sep 2, 2002	$45,000		4.900%	$107,303.75	$152,303.75	$259,607.50	($7,144.59)	$145,159.16	$245,318.32
Mar 2, 2003				$106,201.25	$106,201.25		($7,144.59)	$99,056.66	
Sep 2, 2003	$50,000		5.000%	$106,201.25	$156,201.25	$262,402.50	($7,144.59)	$149,056.66	$248,113.32
Mar 2, 2004				$104,951.25	$104,951.25		($7,144.59)	$97,806.66	
Sep 2, 2004	$50,000		5.100%	$104,951.25	$154,951.25	$259,902.50	($7,144.59)	$147,806.66	$245,613.32
Mar 2, 2005				$103,676.25	$103,676.25		($7,144.59)	$96,531.66	
Sep 2, 2005	$55,000		5.200%	$103,676.25	$158,676.25	$262,352.50	($7,144.59)	$151,531.66	$248,063.32
Mar 2, 2006				$102,246.25	$102,246.25		($7,144.59)	$95,101.66	
Sep 2, 2006	$60,000		5.300%	$102,246.25	$162,246.25	$264,492.50	($7,144.59)	$155,101.66	$250,203.32
Mar 2, 2007				$100,656.25	$100,656.25		($7,144.59)	$93,511.66	
Sep 2, 2007	$60,000		5.400%	$100,656.25	$160,656.25	$261,312.50	($7,144.59)	$153,511.66	$247,023.32
Mar 2, 2008				$99,036.25	$99,036.25		($7,144.59)	$91,891.66	
Sep 2, 2008	$65,000		5.500%	$99,036.25	$164,036.25	$263,072.50	($7,144.59)	$156,891.66	$248,783.32
Mar 2, 2009				$97,248.75	$97,248.75		($7,144.59)	$90,104.16	
Sep 2, 2009	$70,000		5.600%	$97,248.75	$167,248.75	$264,497.50	($7,144.59)	$160,104.16	$250,208.32
Mar 2, 2010				$95,288.75	$95,288.75		($7,144.59)	$88,144.16	
Sep 2, 2010	$70,000		5.700%	$95,288.75	$165,288.75	$260,577.50	($7,144.59)	$158,144.16	$246,288.32
Mar 2, 2011				$93,293.75	$93,293.75		($7,144.59)	$86,149.16	
Sep 2, 2011	$75,000		5.800%	$93,293.75	$168,293.75	$261,587.50	($7,144.59)	$161,149.16	$247,298.32
Mar 2, 2012				$91,118.75	$91,118.75		($7,144.59)	$83,974.16	
Sep 2, 2012	$80,000		5.900%	$91,118.75	$171,118.75	$262,237.50	($7,144.59)	$163,974.16	$247,948.32
Mar 2, 2013				$88,758.75	$88,758.75		($7,144.59)	$81,614.16	
Sep 2, 2013	$85,000		6.000%	$88,758.75	$173,758.75	$262,517.50	($7,144.59)	$166,614.16	$248,228.32
Mar 2, 2014				$86,208.75	$86,208.75		($7,144.59)	$79,064.16	
Sep 2, 2014	$90,000		6.100%	$86,208.75	$176,208.75	$262,417.50	($7,144.59)	$169,064.16	$248,128.32
Mar 2, 2015				$83,463.75	$83,463.75		($7,144.59)	$76,319.16	
Sep 2, 2015	$95,000		6.150%	$83,463.75	$178,463.75	$261,927.50	($7,144.59)	$171,319.16	$247,638.32
Mar 2, 2016				$80,542.50	$80,542.50		($7,144.59)	$73,397.91	
Sep 2, 2016	$100,000		6.200%	$80,542.50	$180,542.50	$261,085.00	($7,144.59)	$173,397.91	$246,795.82
Mar 2, 2017				$77,442.50	$77,442.50		($7,144.59)	$70,297.91	
Sep 2, 2017	$110,000	(a)	6.300%	$77,442.50	$187,442.50	$264,885.00	($7,144.59)	$180,297.91	$250,595.82
Mar 2, 2018				$73,977.50	$73,977.50		($7,144.59)	$66,832.91	
Sep 2, 2018	$115,000	(a)	6.300%	$73,977.50	$188,977.50	$262,955.00	($7,144.59)	$181,832.91	$248,665.82
Mar 2, 2019				$70,355.00	$70,355.00		($7,144.59)	$63,210.41	
Sep 2, 2019	$125,000	(a)	6.300%	$70,355.00	$195,355.00	$265,710.00	($7,144.59)	$188,210.41	$251,420.82
Mar 2, 2020				$66,417.50	$66,417.50		($7,144.59)	$59,272.91	
Sep 2, 2020	$130,000	(a)	6.300%	$66,417.50	$196,417.50	$262,835.00	($7,144.59)	$189,272.91	$248,545.82
Mar 2, 2021				$62,322.50	$62,322.50		($7,144.59)	$55,177.91	
Sep 2, 2021	$140,000	(b)	6.400%	$62,322.50	$202,322.50	$264,645.00	($7,144.59)	$195,177.91	$250,355.82
Mar 2, 2022				$57,842.50	$57,842.50		($7,144.59)	$50,697.91	
Sep 2, 2022	$150,000	(b)	6.400%	$57,842.50	$207,842.50	$265,685.00	($7,144.59)	$200,697.91	$251,395.82
Mar 2, 2023				$53,042.50	$53,042.50		($7,144.59)	$45,897.91	
Sep 2, 2023	$160,000	(b)	6.400%	$53,042.50	$213,042.50	$266,085.00	($7,144.59)	$205,897.91	$251,795.82
Mar 2, 2024				$47,922.50	$47,922.50		($7,144.59)	$40,777.91	
Sep 2, 2024	$170,000	(b)	6.400%	$47,922.50	$217,922.50	$265,845.00	($7,144.59)	$210,777.91	$251,555.82
Mar 2, 2025				$42,482.50	$42,482.50		($7,144.59)	$35,337.91	
Sep 2, 2025	$185,000	(b)	6.400%	$42,482.50	$227,482.50	$269,965.00	($7,144.59)	$220,337.91	$255,675.82
Mar 2, 2026				$36,562.50	$36,562.50		($7,144.59)	$29,417.91	
Sep 2, 2026	$195,000	(c)	6.500%	$36,562.50	$231,562.50	$268,125.00	($7,144.59)	$224,417.91	$253,835.82
Mar 2, 2027				$30,225.00	$30,225.00		($7,144.59)	$23,080.41	
Sep 2, 2027	$210,000	(c)	6.500%	$30,225.00	$240,225.00	$270,450.00	($7,144.59)	$233,080.41	$256,160.82
Mar 2, 2028				$23,400.00	$23,400.00		($7,144.59)	$16,255.41	
Sep 2, 2028	$225,000	(c)	6.500%	$23,400.00	$248,400.00	$271,800.00	($7,144.59)	$241,255.41	$257,510.82
Mar 2, 2029				$16,087.50	$16,087.50		($7,144.59)	$8,942.91	
Sep 2, 2029	$240,000	(c)	6.500%	$16,087.50	$256,087.50	$272,175.00	($7,144.59)	$248,942.91	$257,885.82
Mar 2, 2030				$8,287.50	$8,287.50		($7,144.59)	$1,142.91	
Sep 2, 2030	$255,000	(c)	6.500%	$8,287.50	$263,287.50	$271,575.00	($279,319.59)	($16,032.09)	($14,889.18)
	$3,495,000			$4,438,006.25	$7,933,006.25	$7,933,006.25	($701,445.78)	$7,231,560.47	$7,231,560.47

(a) Indicates maturity date of the $480,000 Term Bond due September 2, 2020.
(b) Indicates maturity date of the $805,000 Term Bond due September 2, 2025.
(c) Indicates maturity date of the $1,125,000 Term Bond due September 2, 2030.

SOURCE OF PAYMENT FOR THE BONDS

General

The Bonds are issued upon and are secured by the unpaid assessments together with interest thereon and such unpaid assessments together with interest thereon constitute a trust fund for the redemption and payment of the principal of the Bonds and the interest thereon. All the Bonds are secured by the moneys in the Redemption Sub-Fund created pursuant to the Resolutions and by the unpaid assessments levied. Principal of and interest on the Bonds are payable exclusively out of the Redemption Sub-Fund.

Although the unpaid assessments constitute fixed liens on the parcels assessed, they do not constitute a personal indebtedness of the respective owners of such parcels. There is no assurance that the owners will be financially able to pay the assessment installments or that they will pay such installments even though financially able to do so. See "SPECIAL RISK FACTORS".

The unpaid assessments will be collected in approximately equal annual installments by the County, and are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general property taxes. The properties upon which the assessments were levied are subject to the same provisions for sale and redemption as are properties for nonpayment of general taxes.

Neither the faith and credit nor the taxing power of the County, the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Limited Obligation Upon Delinquency

The Bonds are limited obligation improvement bonds issued under Section 8769(b) of the Bond Law and are payable solely from and are secured solely by the assessments and the amounts in the Redemption Sub-Fund and the Reserve Sub-Fund. The County's obligation to advance moneys to pay debt service on the bonds in the event of delinquent assessment installments shall not exceed the balance in the Reserve Sub-Fund. The County has not obligated itself to, and will not, advance any other funds to pay debt service on the Bonds.

Reserve Sub-Fund

Upon receipt of the proceeds from the sale of the Bonds, the County shall deposit an amount equal to maximum annual debt service on the Bonds (the "Initial Reserve Requirement") in the Reserve Sub-Fund. The moneys in the Reserve Sub-Fund shall constitute a trust fund for the benefit of the owners of the Bonds and shall be used to pay debt service on the Bonds if there is a deficiency in the Redemption Sub-Fund. Money in the Reserve Sub-Fund will also be applied to reduce the amount required to prepay an assessment by the product of the Initial Reserve Requirement and the ratio of the original amount of the prepaid assessment to the total amount of unpaid assessments originally securing the Bonds. The Initial Reserve Requirement less the amounts so applied from the Reserve Sub-Fund for such prepayments shall be the "Reserve Requirement." All proceeds from investment of monies in the Reserve Sub-Fund will be used in the following order of priority: to pay amounts required to be rebated to the United States, to increase the balance in the Reserve Sub-Fund to the Reserve Requirement, for transfer to the Improvement Fund until the Improvements are complete, and for transfer to the Redemption Fund to pay debt service on the Bonds. Proceeds from redemption or sale of properties with respect to which payment of delinquent assessment installments and interest thereon was made from the Reserve Sub-Fund shall be credited to the Reserve Sub-Fund. The County has no obligation to and will not replenish the Reserve Sub-Fund except to the extent that delinquent assessments are paid or proceeds from foreclosure sales are realized.

Covenant to Commence Superior Court Foreclosure

The Bond Law provides that, if any assessment or installment thereof or any interest thereon is not paid when due, the County may order the institution of a court action to foreclose the lien of the unpaid assessment. In such an action, the real property subject to the unpaid assessment may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, the County covenants with and for the benefit of the owners of the Bonds that, no later than October 1 of each year, it will file an action in the Superior Court to foreclose the lien on each delinquent assessment if the sum of uncured assessment delinquencies for the preceding fiscal year exceeds 5% of the assessment installments posted to the tax roll for that fiscal year and if the balance of the Reserve Sub-Fund is less than the Reserve Requirement.

In the event such Superior Court foreclosure or foreclosures are necessary, there may be a delay in payments to Beneficial Owners pending prosecution of the foreclosure proceedings and receipt by the County of the proceeds of the foreclosure sale; it is also possible that no bid for the purchase of the applicable property would be received at the foreclosure sale. See also "SPECIAL RISK FACTORS—Bankruptcy and Foreclosure" herein.

Priority of Lien

The assessment (and any reassessment) and each installment thereof and any interest and penalties thereon constitute a lien against the parcels on which they were imposed until the same are paid. Such lien is subordinate to all fixed special assessment liens previously imposed upon the same property, but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. Currently, there are no prior fixed special assessment liens on the parcels in the Assessment District. The lien is co-equal to and independent of the lien for general taxes and any community facilities district (Mello-Roos district) special taxes, including general taxes and community facilities district special taxes levied or imposed subsequent to the dates the assessment backing the Bonds were levied.

[The remainder of this page intentionally left blank.]

THE PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1

General Information Concerning the Assessment District

The Assessment District is located on Highway 65, approximately 2 miles north of Interstate 80, in an unincorporated area of southern Placer County between the cities of Roseville and Rocklin.

The Assessment District is located in the Sunset Industrial Area, an area designated by the Placer County Board of Supervisors in 1997 as a commercial corridor. The Sunset Industrial Area, which straddles Highway 65 between the cities of Roseville and Lincoln, is the largest tract designated for commercial development by any local agency in the four-county Sacramento area. It is zoned for three types of businesses: industrial, commercial, and retail. Growth in the area is fueled by well-known electronics firms. Hewlett-Packard Co, which designs, manufactures, markets and supports computer products, employs 5,400 at its Roseville facility; NEC Electronics, which manufactures semiconductor devices, employs 1,500 in Roseville, Artesyn Solutions Inc., which provides repair, logistics and contract assembly of electronic computing and telecommunication products, employs 1,171 in nearby Lincoln. Numerous satellite firms support the major technology firms in the area. Many other large companies have developed plant facilities in the area including PRIDE Industries, which provides mail services and fulfillment, facility support services, and light manufacturing, employs 2,200 in Roseville; Herman Miller, which manufactures open office furniture systems, employs 405 in Rocklin; Formica Corporation, which manufactures and distributes Formica-brand high pressure laminate, employs 400 in Rocklin, the Oracle Corporation, which provides world-wide technical software support and performs accounting operations, employs 400 in Rocklin, and the Albertson's grocery store distribution center, employs 350 in Roseville. Pacific Bell is also planning a central office for up to 1,150 employees in the Sunset Industrial Area. See "APPENDIX A AREA PROFILE" herein.

Other development in the vicinity of the Assessment District includes the Atherton Technical Center (tenants include TASQ Technology Inc., Vodafone Air Touch PLC, and the GAP) to the east, the Hewlett-Packard distribution facility to the north, and the Union Pacific Railroad railyards to the west. The land immediately north and south of the Assessment District is zoned for industrial use but is currently vacant. The Union Pacific Railroad employs approximately 1,294 people at its Roseville operation, which is among the most important railyards in the Pacific Northwest.

The Assessment District consists of approximately 106.2 gross acres of land known as the Placer Corporate Center. The land was purchased by Sierra Holdings in April 1998 from the Stanford Ranch I, LLC. Sierra Holdings formed Sierra Calvine to facilitate the acquisition, ownership and development of Placer Corporate Center. Currently, Placer Corporate Center has been subdivided into 21 lots zoned for industrial, commercial/business professional and highway commercial use. After construction of roadways and open space, the net available land area will be approximately 76.5 acres. Twelve of the lots, representing approximately 71.0% of the total acreage, will be for industrial use; five of the lots, representing approximately 23.4% of the total acreage, will be used for commercial/business professional use; and four of the lots, representing approximately 5.6% of the total acreage, will be used for Highway Commercial use. See "OWNERSHIP AND PLANNED FINANCING AND DEVELOPMENT" for a more complete discussion of the development of Placer Corporate Center. For maps depicting the location of the Assessment District and information about parcels within the District, see "APPENDIX B LOCATION MAP AND PARCEL MAP" herein.

Description of Improvements

The infrastructure improvements to be financed by the Assessment District (the "Improvements") include the acquisition, construction and installation of Cyber Court, Technology Way, Placer Corporate Drive, South Loop Road, water pipelines, sanitary sewer pipelines, storm drainage systems and underground utility systems, together with appurtenant work and improvements. Construction of the Improvements by the Developer is under way and expected to be completed over a six-month period ending October 2000.

The estimated costs of the Improvements are set forth below.

Summary of Estimated Improvement Costs
Placer Corporate Center Assessment District No. 1

Item Description	Total Cost
Site Preparation	$443,362.00
Surface Improvements	$1,268,429.50
Water System	$572,612.50
Sewer System	$570,337.00
Storm Drainage	$435,284.00
Utilities	$698,693.77
Miscellaneous	$62,120.00
Total	$4,050,838.77
10% Contingency	$405,083.88
Construction Total	$4,455,922.65

Source: Spannagel and Associates, Engineer's Report dated May 9, 2000, and confirmed June 20, 2000.

Pursuant to an Acquisition and Disclosure Agreement entered into by the County and the Developer, the County has agreed to use Bond proceeds to pay for a portion of the infrastructure improvements serving the Placer Corporate Center. The total amount to be funded from the Bond proceeds and prepaid assessments is $3,578,423.64. The Developer will provide funds for the balance of the costs.

Summary of Assessment Spread

Assessments on individual parcels are based on land use, traffic generation, sewer demand, water demand and acreage. The spread of assessments recognizes that the benefit received by each lot is a function of land use and size. The basis for the assessment is as follows:

Roadway Improvement. The cost of roadway improvements is spread in proportion to traffic generated on each lot.

Water System. The cost of water system improvements is spread in proportion to the estimated daily water demand for each lot.

Sewer System. The cost of sewer system improvements is spread in proportion to the estimated daily sewer flows for each lot.

Drainage. The cost of drainage improvements is spread in proportion to the total impervious area of each lot.

Utilities. The cost of power gas, telephone and cable systems is spread in proportion to lot size.

Set forth below is a summary of the components of the assessment on each parcel.

Summary of Assessment Spread
Placer Corporate Center Assessment District No. 1

Lot*	Acres	On-Site Roadways Assessment	Sewer System Assessment	Water System Assessment	Drainage Assessment	Utilities Assessment	Total Assessment
1	8.04	$130,060.17	$51,289.82	$52,635.07	$46,899.78	$62,351.53	$343,236.37
2	9.06	$146,560.34	$57,796.73	$59,312.65	$52,849.76	$70,261.80	$386,781.28
3	6.97	$112,751.16	$44,463.93	$45,630.15	$40,658.15	$54,053.50	$297,556.89
4	4.62	$74,736.07	$29,472.51	$30,245.53	$26,949.88	$35,828.86	$197,232.85
5	2.73	$44,162.22	$17,415.57	$17,872.36	$15,924.93	$21,171.60	$116,546.68
6	1.00	$93,326.76	$14,721.53	$13,093.30	$5,833.31	$7,755.17	$134,730.07
7	3.56	$132,897.30	$34,939.10	$34,959.11	$20,766.57	$27,608.39	$251,170.47
8	3.00	$48,529.91	$19,137.99	$19,639.95	$17,499.92	$23,265.50	$128,073.27
9	3.48	$56,294.70	$22,200.07	$22,782.34	$20,299.91	$26,987.98	$148,565.00
10	3.17	$51,279.94	$20,222.48	$20,752.88	$18,491.58	$24,583.87	$135,330.75
11	2.12	$34,294.47	$13,524.18	$13,878.90	$12,366.61	$16,440.95	$90,505.11
12	2.76	$44,647.52	$17,606.95	$18,068.76	$16,099.93	$21,404.26	$117,827.42
13	4.84	$78,294.93	$30,875.96	$31,685.79	$28,233.20	$37,535.00	$206,624.88
14	3.63	$58,721.19	$23,156.97	$23,764.34	$21,174.90	$28,151.25	$154,968.65
15	4.20	$156,788.95	$41,220.29	$41,243.90	$24,499.89	$32,571.70	$296,324.73
16	3.09	$115,351.87	$30,326.36	$30,343.72	$18,024.92	$23,963.46	$218,010.33
17	1.13	$105,459.23	$16,635.33	$14,795.43	$6,591.64	$8,763.34	$152,244.97
18	1.08	$100,792.90	$15,899.25	$14,140.76	$6,299.97	$8,375.58	$145,508.46
19	3.83	$142,976.59	$37,588.98	$37,610.51	$22,341.56	$29,702.28	$270,219.92
20	1.01	$94,260.02	$14,868.75	$13,224.23	$5,891.64	$7,832.72	$136,077.36
21	3.24	$120,951.48	$31,798.51	$31,816.72	$18,899.91	$25,126.74	$228,593.36
Totals:	76.56	$1,943,137.72	$585,161.26	$587,496.40	$446,597.96	$593,735.48	$4,156,128.82

Source: Adapted from Spannagel and Associates, Engineer's Report dated May 9, 2000, and modified June 20, 2000.
*Owners of Lots 2 and 19 have paid their entire assessment in cash.

Appraised Value-to-Lien Ratio

An appraisal dated October 28, 1999 and updated May 18, 2000 (the "Appraisal"), of the property within the Assessment District that is subject to the lien of the assessments has been prepared for the County by Seevers, Jordan, Ziegenmeyer, Real Estate Appraisal & Consultation (the "Appraiser"). Full copies of the original report and the updated appraisal are available upon request by contacting the County Treasurer-Tax Collector at the address and telephone number set forth on page "iii" of this Official Statement. Selected pages from the May 18 Appraisal update report are attached as APPENDIX C.

The Appraiser estimated that the as-is value of property in the Assessment District as of May 6, 2000, was $10,413,000. The Appraisal estimated the prospective market value (in bulk) of the improved lots at completion of the site improvements to be funded by the Assessment District as of September 2000 to be $13,604,000. The ratio of the appraised bulk sale value of such property to the total amount of the recorded assessments on such property was 3.27. The appraisal estimated the prospective aggregate retail value of the improved lots after completion of the site improvements to be funded by the Assessment District as of May 2001 to be $15,995,000.

The table on the following page sets forth (i) the use of property subject to the assessment lien, (ii) a prospective retail value of the improved lots after completion of the site improvements (as of May 2001), (iii) the amount of the assessment on each lot, (iv) the ratio of the appraised value of such property to the amount of the assessment lien on such property, and (v) the percentage of the total assessment for which each property is liable.

Appraised Value-to-Lien Ratio
Placer Corporate Center Assessment District No. 1

Lot*	Land Use	Retail Value with Completed Improvements**	Assessment	Retail Value to Lien Ratio	Percentage Of Total Unpaid Assessment
1	Industrial	$1,113,707	$343,236.37	3.24	9.81%
2	Industrial	$1,254,998	$386,781.28	n/a	0.00%
3	Industrial	$965,490	$297,556.89	3.24	8.50%
4	Industrial	$841,213	$197,232.85	4.27	5.64%
5	Industrial	$497,081	$116,546.68	4.27	3.33%
6	Highway Commercial	$557,132	$134,730.07	4.14	3.85%
7	Commercial/Business Professional	$786,223	$251,170.47	3.13	7.18%
8	Industrial	$546,242	$128,073.27	4.27	3.66%
9	Industrial	$633,641	$148,565.00	4.27	4.25%
10	Industrial	$577,196	$135,330.75	4.27	3.87%
11	Industrial	$386,011	$90,505.11	4.27	2.59%
12	Industrial	$502,543	$117,827.42	4.27	3.37%
13	Industrial	$1,092,101	$206,624.88	5.29	5.91%
14	Industrial	$819,076	$154,968.65	5.29	4.43%
15	Commercial/Business Professional	$1,046,485	$296,324.73	3.53	8.47%
16	Commercial/Business Professional	$769,914	$218,010.33	3.53	6.23%
17	Highway Commercial	$702,409	$152,244.97	4.61	4.35%
18	Highway Commercial	$671,329	$145,508.46	4.61	4.16%
19	Commercial/Business Professional	$954,295	$270,219.92	n/a	0.00%
20	Highway Commercial	$562,704	$136,077.36	4.14	3.89%
21	Commercial/Business Professional	$715,551	$228,593.36	3.13	6.53%
	Subtotals:	$15,995,341	$4,156,128.82		
	Less Exclusions:	$2,209,293	$657,001.20		
	Totals:	$13,786,048	$3,499,127.62	3.94	100.00%

*Owners of Lots 2 and 19 have paid their entire assessment in cash; thus those lots provide no security for the Bonds and have been excluded from the above totals. **The prospective aggregate retail value of the improved lots is as of May 2001. See "APPENDIX C SELECTED PAGES OF THE UPDATED APPRAISAL" for a summary of the Appraisal and the assumptions and limitations set forth therein regarding the appraised valuations set forth above.

2000-01 Assessment Installments

The total of the assessment installments payable by landowners for 2000-01 (disregarding possible reductions credited from interest earnings on the Reserve Sub-Fund) is $260,281.15. Set forth in the table below is the assessment installments payable with respect to each parcel in the 2000-01 tax year. Each parcel is also subject to its proportionate share of the annual bond administration assessment, the total of which is estimated at $5,500 for 2000-01. The annual administration assessment may vary each year, subject to a maximum total assessment of one-quarter of one percent of the original assessment amount. Owners of Lots 2 and 19 have paid their entire assessment in cash, so no assessment installments will be levied on lots 2 and 19.

Estimated Assessment Installments For 2000-01
Placer Corporate Center Assessment District No. 1

Lot	2000-01 Assessment Installment	Estimated 2000-01 Expense	Total Estimated Assessment Installment
1	$25,531.50	$539.51	$26,071.01
2	$0.00	$0.00	$0.00
3	$22,133.65	$467.71	$22,601.36
4	$14,671.09	$310.01	$14,981.10
5	$8,669.28	$183.19	$8,852.47
6	$10,021.84	$211.77	$10,233.62
7	$18,683.22	$394.79	$19,078.01
8	$9,526.68	$201.31	$9,727.99
9	$11,050.95	$233.52	$11,284.47
10	$10,066.53	$212.72	$10,279.24
11	$6,732.19	$142.26	$6,874.45
12	$8,764.55	$185.20	$8,949.75
13	$15,369.71	$324.78	$15,694.49
14	$11,527.28	$243.58	$11,770.87
15	$22,042.00	$465.77	$22,507.77
16	$16,216.61	$342.67	$16,559.29
17	$11,324.68	$239.30	$11,563.98
18	$10,823.59	$228.71	$11,052.30
19	$0.00	$0.00	$0.00
20	$10,122.06	$213.89	$10,335.95
21	$17,003.83	$359.31	$17,363.14
2000-01 Assessment:	$260,281.25	$5,500.00	$265,781.25

Property Ownership

Sierra Calvine currently owns 16 of the parcels in the Assessment District, which are subject to approximately 90.18% of the lien of the unpaid assessments. Sierra Calvine has entered into contracts to sell 9 of its parcels representing 51.94% of the unpaid assessments. Upon close of escrow of these parcels, Sierra Calvine will then own only 7 parcels representing 38.25% of the lien of the unpaid assessments. The remaining five parcels in the Assessment District representing approximately 9.82% of the unpaid assessments have been sold to the owners listed in the table below. The owners of lots 2 and 19 have paid their assessment in full.

Property Ownership Within the Assessment District
Placer Corporate Center Assessment District No. 1 (As of 6/24/00)

Lot	Acres	Property Ownership	Total Assessment	Percentage Of Total Unpaid Assessment	In-Contract
1	8.04	Sierra Calvine, LLC	$343,236.37	9.81%	•
3	6.97	Sierra Calvine, LLC	$297,556.89	8.50%	•
4	4.62	Sierra Calvine, LLC	$197,232.85	5.64%	
5	2.73	Sierra Calvine, LLC	$116,546.68	3.33%	
6	1.00	Sierra Calvine, LLC	$134,730.07	3.85%	•
7	3.56	Sierra Calvine, LLC	$251,170.47	7.18%	•
8	3.00	Sierra Calvine, LLC	$128,073.27	3.66%	•
9	3.48	Sierra Calvine, LLC	$148,565.00	4.25%	•
13	4.84	Sierra Calvine, LLC	$206,624.88	5.91%	•
14	3.63	Sierra Calvine, LLC	$154,968.65	4.43%	•
15	4.20	Sierra Calvine, LLC	$296,324.73	8.47%	
16	3.09	Sierra Calvine, LLC	$218,010.33	6.23%	
17	1.13	Sierra Calvine, LLC	$152,244.97	4.35%	•
18	1.08	Sierra Calvine, LLC	$145,508.46	4.16%	
20	1.01	Sierra Calvine, LLC	$136,077.36	3.89%	
21	3.24	Sierra Calvine, LLC	$228,593.36	6.53%	
Subtotals:	55.62		$3,155,464.34	90.18%	

Ownership of Sold Parcels

Lot	Acres	Use	Total Assessment	Percentage Of Total Unpaid Assessment
2	9.06	Greenheck Fan Corporation	$386,781.28	0.00%
10	3.17	Abott Brothers Development	$135,330.75	3.87%
11	2.12	Abott Brothers Development	$90,505.11	2.59%
12	2.76	Abott Brothers Development	$117,827.42	3.37%
19	3.83	Shannon Cook	$270,219.92	0.00%
Subtotals:	20.94		$1,000,664.48	9.82%
Less Exclusions:	12.89		$657,001.20	
Grand Total:	63.67		$3,499,127.62	100.00%

Note: See "APPENDIX B LOCATION MAP AND PARCEL MAP" for parcel locations and information about the status of land ownership. Source: Sierra Calvine

Direct and Overlapping Debt

The Assessment District's statement of direct and overlapping debt, which is set forth below, was prepared by California Municipal Statistics. It has been included for general information purposes only. The County has not reviewed the statement for completeness or accuracy and makes no representations in connection with the statement.

Contained within the Assessment District's boundaries are numerous overlapping local entities providing public services. These local entities may have outstanding bonds or other obligations issued in the form of general obligation, lease revenue, special tax and special assessment bonds. The first column in the table names the public agencies which have outstanding debt as of the date of the report and whose boundaries overlap the Assessment District. The second column in the table shows the percentage of each overlapping entity's assessed value located within the boundaries of the Assessment District. The third column shows the corresponding portion of each overlapping entity's existing debt payable from property taxes levied within the Assessment District. The total amount of debt for each overlapping entity is not shown in the table.

Statement of Direct and Overlapping Debt
Placer Corporate Center Assessment District No. 1 (As of 7/1/00)

PLACER COUNTY – PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1

1999-00 Assessed Valuation: $3,666,000

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 7/1/00
Placer County Water Agency, Zone No. 1	0.060%	$714
Roseville Joint Union High School District	0.040%	$14,554
Roseville City School District	0.082%	$14,093
Placer County - Placer Corporate Center Assessment District No. 1	100.000%	$3,495,000 [1]
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$3,524,361
OVERLAPPING GENERAL FUND OBLIGATION DEBT:		
Placer County General Fund Obligations	0.017%	$4,653
Sierra Joint Community College District Certificates of Participation	0.012%	$658
Roseville Joint Union High School District Certificates of Participation	0.040%	$1,054
Roseville City School District Certificates of Participation	0.082%	$18,991
TOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT		$25,356
COMBINED TOTAL DEBT		$3,549,717 [2]

[1] Includes 1915 Act bonds to be sold.

[2] Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 1999-00 Assessed Valuation:	
Direct Debt ($3,495,000)	95.34%
Total Direct and Overlapping Tax and Assessment Debt	96.14%
Combined Total Debt	96.83%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/99: $0

Source: California Municipal Statistics, Inc.

PLANNED FINANCING AND DEVELOPMENT

Sierra Calvine has provided the following information. No assurance can be given that the proposed development will occur as described herein or that it will be completed in a timely manner. Neither the Bonds nor the assessments securing the Bonds are personal obligations of the landowners within the Assessment District and, in the event that a landowner defaults in the payment of the assessments, the County may proceed with judicial foreclosure but has no direct recourse to the assets of any landowner other than the assessed parcels. Furthermore, the information under this heading has not been verified for accuracy or completeness by the County, and the County makes no representation in connection therewith.

Placer Corporate Center Financing Plan

Sierra Holdings formed Sierra Calvine to facilitate the acquisition, ownership and development of the property known as the Placer Corporate Center (the "Property"). Member owners of Sierra Calvine include Sierra Holdings (70%), David Econome (16%), Placer Corporate (9%), Sierra Chicago II (4%) and Suzanne Kai (1%). Sierra Calvine is operated by Sierra Affiliates, Inc., a California corporation ("Sierra Affiliates") controlled by Patrick M. Gardner and Chris N. Vrame. See "PLANNED FINANCING AND DEVELOPMENT—Development Experience" for a discussion of Sierra Holdings' development experience.

Sierra Holdings purchased the Property from Stanford Ranch I, LLC, in April 1998 for a purchase price of $3,689,532 and subsequently transferred the Property to Sierra Calvine. Sierra Calvine financed the acquisition and development costs with approximately $1,000,000 in equity and a $4,500,000 participating mortgage loan from Lehman Ali Inc. in September 1998. In September 1999, Sierra Calvine and Lehman Ali entered into an additional advance agreement to secure an additional $400,000 loan. See APPENDIX D UNAUDITED—REVIEWED FINANCIAL STATEMENTS OF THE DEVELOPER FOR THE YEAR ENDED DECEMBER 31, 1999. Under the terms of the participating mortgage, Sierra Calvine shares 50% of the profits from the sale of lots in the Placer Corporate Center with Lehman Ali. Approximately $1.2 million of the proceeds from the mortgage loans were used to acquire an eight acre parcel at the northwest corner of Elk Grove Boulevard and I-5 in the Lakeside Community of Sacramento (the "Lakeside Property"). The Lakeside Property has been subdivided and Sierra Calvine has entered into contracts to sell several parcels to other parties. Sierra Calvine reports the outstanding principal balance of the loan to be $3 million. Based on current sales activity, Sierra Calvine projects the loan to be repaid by September 18, 2000. Sierra Calvine expects to have all lots sold by March 2002.

On February 17, 2000, Sierra Calvine received approval from the County of Placer's Assessment and Community Facilities Districts Screening Committee, to recommend the formation of an assessment district to the Board of Supervisors for the infrastructure improvements at Placer Corporate Center. Infrastructure improvements are underway at Placer Corporate Center. Construction of the improvements by Sierra Calvine is expected to be completed over a six-month period ending October 2000.

Set forth on the following page is a pro-forma cash flow analysis for the development of the Placer Corporate Center.

Pro-Forma Cash Flow Analysis
Placer Corporate Center
As of May 2, 2000

	Project Total	Total to Date	Period 1 30-Jun-00 Qtr. 2	Period 2 30-Sep-00 Qtr. 3	Period 3 31-Dec-00 Qtr. 4	Period 4 31-Mar-01 Qtr. 1	Period 5 30-Jun-01 Qtr. 2	Period 6 30-Sep-01 Qtr. 3	Period 7 31-Dec-01 Qtr. 4	Period 8 31-Mar-02 Qtr. 1
Revenues										
Industrial Land Sales	$ 7,040,930		$ 1,753,617	$ 1,881,356	$ 1,475,813	$ -	$ 1,225,778	$ -	$ 704,365	$ -
Commercial Land Sales	2,807,485		500,504	503,989	1,238,454	0	564,538	0	0	0
Gas Station Parcel	1,784,055		0	691,570	0	0	564,538	0	0	527,947
Sub-Total	11,632,470		2,254,121	3,076,915	2,714,267	0	2,354,854	0	704,365	527,947
Less Closing & Commissions	(850,675)		(128,542)	(236,923)	(208,999)	0	(181,324)	0	(54,236)	(40,652)
Developer Overhead	(232,649)		(45,082)	(61,538)	(54,285)	0	(47,097)	0	(14,087)	(10,559)
Sub Total	$ 10,549,146		$ 2,080,497	$ 2,778,454	$ 2,450,983	$ -	$ 2,126,433	$ -	$ 636,042	$ 476,736
Bond Proceeds	$ 3,587,176			$ 1,793,588	$ 1,793,588					
Total Available Funds	$ 14,136,322		$ 2,080,497	$ 4,572,042	$ 4,244,571	$ -	$ 2,126,433	$ -	$ 636,042	$ 476,736
Expenses										
Land Acquisition	$ 3,665,574	$ 3,665,574	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Infrastructure Improvements	$ 4,455,922	$ 1,261,417	$ 609,246	$ 1,192,058	$ 1,393,201					
Legal fees	55,825	23,825	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Geotechnical Engineering	7,135	7,135	0	0	0	0	0	0	0	0
Wetland Mitigation	120,000	120,000	0	0	0	0	0	0	0	0
Civil Engineering	243,455	223,455	0	5,000	0	5,000	0	5,000	0	5,000
County Fees	200,195	192,195	0	2,000	0	2,000	0	2,000	0	2,000
District Formation	236,899	236,899	0	0	0	0	0	0	0	0
Prepayment of Taxes & Bonds	57,176	57,176	0	0	0	0	0	0	0	0
Property Tax	0	0	0	0	0	0	0	0	0	0
Bond Payment	105,000	0	0	0	63,000	0	42,000	0	0	0
Project Marketing	3,000	3,000	0	0	0	0	0	0	0	0
Insurance	23,000	15,000	0	0	4,000	0	0	0	4,000	0
Administrative Expenses	105,000	45,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Contingency 5%	57,834	46,184	575	925	3,925	925	2,675	925	775	925
Organization & Closing Costs	117,543	117,543	0	0	0	0	0	0	0	0
Total	$ 9,453,558	$ 6,014,403	$ 621,321	$ 1,211,483	$ 1,475,626	$ 19,425	$ 56,175	$ 19,425	$ 16,275	$ 19,425
Net Revenues	$ 4,682,764	$ (6,014,403)	$ 1,459,176	$ 3,360,559	$ 2,768,945	$ (19,425)	$ 2,070,258	$ (19,425)	$ 619,767	$ 457,311

Source: Sierra Holdings, LLC

Placer Corporate Center Development Plan

At buildout, Placer Corporate Center is planned to have approximately 670,000 square feet of light industrial, 196,000 square feet of office, and 34,000 square feet of retail space. Currently, there are development plans for fourteen parcels within Placer Corporate Center. The table below describes the development plans of all lots sold or under contract.

Placer Corporate Center Development Plans
Placer Corporate Center Assessment District No. 1 (As of 7/26/00)

Lot(s)	Owner	Development Plans	Expected Close of Escrow
1	Verizon Wireless	Switching transfer facility	Sep 15, 2000
2	Greenheck Fan Co.	Future expansion	Closed
3	Sierra Calvine	Build to suit for Greenheck Fan Corp.	Lease Agreement
6,7,8,9	Citadel Equities	Research and development office space	Aug 28, 2000
10,11,12	Abbott Brothers Develop. Co.	Flex-space for research and development	Closed
13,14	Cobra Properties	Office and research and development space	Sep 15, 2000
17	Buta Singh	Gas station	Sep 15, 2000
19	Shannon Cook	Storage facilities	Closed

Source: Sierra Calvine

Cyber Court LLC, an affiliate of Sierra Calvine, has executed two contracts to build facilities totaling 106,000 square feet of space for the Greenheck Fan Company on lot 3. Sierra Calvine estimates the total value of the buildings to be approximately $5 million. Citadel Equities, a local developer, plans to build research and development office space. Abbott Brothers Development Company, a development company based in southern California, plans to build flex space for research and development, and currently has permits pending approval for two buildings, each consisting of 60,000 square feet. Cobra Properties, another local developer, also plans to build research and development office space.

Development Experience

Sierra Holdings, the majority owner of the Developer, was formed in 1995 by Patrick M. Gardner and Chris N. Vrame. The company is a multifaceted real estate company involved in virtually all types of real estate activities including land use planning and acquisition of entitlements, infrastructure development, construction and management of residential, office and industrial properties and financing.

Currently Sierra Holdings is staffed by its two principals, a project manager and two support personnel. In addition Sierra Holdings relies on a large consulting team, which allows the company to handle multiple projects.

Since its creation in 1995, Sierra Holdings has completed the construction and leaseback of six school facilities for Nobel Education Dynamics, Inc., in Sacramento and Las Vegas. Nobel is a publicly traded company located in Philadelphia, Pennsylvania, which operates private elementary and preschool facilities throughout the country. Each facility ranged in total project cost from $1.4 to 2.0 million.

Sierra Holdings has completed the formation of a joint venture with three property owners in the Sunrise Douglas II Specific Plan area to develop a 320-acre project comprising two properties, which are under option for a six-year period, and two properties which are in joint venture for six years. The project is funded exclusively by Sierra Holdings' private equity sources.

Sierra Holdings acquired an eleven-acre parcel at the southwest corner of Pleasant Grove and Foothills Boulevard from Sares-Regis/Metropolitan Life Company in December 1997. The acquisition was for a total price of approximately $2 million. Site improvements were completed for the entire site in the late summer and early fall of 1999. Sierra Holdings has submitted applications for building permits to construct a 22,000-square-foot retail center and an 8,200-square-foot daycare facility on the parcel.

Sierra Holdings is a managing member and majority owner of a small mixed used project at the southeast corner of Sierra College and Douglas Boulevard in the Granite Bay Community. Construction is expected to commence in August 2000.

Sierra Holdings has primarily financed these and other acquisitions and developments through private equity sources and loans from regional banks, Pacific Coast Capital and Lehman Brothers. See "APPENDIX D UNAUDITED—REVIEWED FINANCIAL STATEMENTS OF THE DEVELOPER FOR THE YEAR ENDED DECEMBER 31, 1999."

[The remainder of this page intentionally left blank.]

SPECIAL RISK FACTORS

The following factors, which represent major risk factors that have been identified at this time, should be considered along with all other information in this Official Statement by potential investors in evaluating the credit quality of the Bonds. There can be no assurance that other major risk factors do not exist or will not become evident at any future time regarding the credit quality of the Bonds. Payment of the Bonds is a limited obligation of the County, payable from unpaid assessments levied upon real property within the Assessment District.

General

Under the provisions of the Bond Law, assessment installments, from which amounts for the payment of annual installments of principal of and interest on the Bonds are derived, will be billed to properties against which there are unpaid assessments on the regular property tax bills sent to owners of such properties. Such assessment installments are due and payable, and bear the same penalties and interest for non-payment, as do regular property tax installments. Assessment installment payments cannot be made separately from property tax payments. Payments of assessment installments made by the owners of parcels will be applied on a pro-rata basis to all series of Bonds issued by the County on behalf of the Assessment District.

In order to pay debt service on the Bonds, it is necessary that unpaid installments of assessments on land within the Assessment District are paid in a timely manner. Should the installments not be paid on time, the County has established a Reserve Sub-Fund from the proceeds of the Bonds to cover delinquencies. The assessments are secured by a lien on the parcels within the Assessment District and the County has covenanted in certain circumstances to institute foreclosure proceedings to sell parcels with delinquent installments for amounts sufficient to cover such delinquent installments in order to obtain amounts to pay debt service on the Bonds.

Amendments to the Bond Law enacted in 1988 and effective January 1, 1989 provide that under certain circumstances property may be sold upon foreclosure at a lesser Minimum Price or without a Minimum Price. "Minimum Price" as used in the Bond Law is the amount equal to the delinquent installments of principal or interest of the assessment or reassessment, together with all interest penalties, costs, fees, charges and other amounts more fully detailed in the Bond Law. The court may authorize a sale at less than the Minimum Price if the court determines that sale at less than the Minimum Price will not result in an ultimate loss to the beneficial owners or, under certain circumstances, if beneficial owners of 75% or more of the outstanding bonds consent to such sale. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Sub-Fund and delay in payments of debt service on the Bonds.

Failure by owners of the parcels to pay installments of assessments when due, depletion of the Reserve Sub-Fund, delay in foreclosure proceedings, or the inability of the County to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of assessments levied against such parcels may result in the inability of the County to make full or punctual payments of debt service on the Bonds and Beneficial Owners would therefore be adversely affected.

Unpaid assessments do not constitute a personal indebtedness of the owners of the parcels within the Assessment District. There is no assurance the owners shall be able to pay the assessment installments or that they shall pay such installments even though financially able to do so.

Bankruptcy and Foreclosure

The payment of assessments and the ability of the County to foreclose the lien of a delinquent unpaid assessment may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by State law relating to judicial foreclosure. In addition, the prosecution of a foreclosure could be delayed due to lengthy local court calendars or procedural delays.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the Bonds and various other legal instruments by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although bankruptcy proceedings would not cause the assessments to become extinguished, bankruptcy of a property owner or anyone who claims an interest in such property could result in a delay in prosecuting superior court foreclosure proceedings and could result in delinquent assessment installments not being paid in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds.

Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218. Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which contain, among other things, a number of provisions affecting the ability of the County to levy and collect both existing and future assessments.

Article XIIID requires that, beginning July 1, 1997, the proceedings for the levy of any assessment by the County under the 1913 Act (including, if applicable, any increase in such assessment or any supplemental assessment under the Act) must be conducted in conformity with the provisions of Section 4 of Article XIIID. The County has complied with the requirements of Article XIIID in connection with the proceedings to levy the assessments in the Assessment District. Under Section 10400 of the 1913 Act, any challenge (including any constitutional challenge) to the proceedings or the assessments must be bought within 30 days after the date the assessment was levied.

Article XIIIC removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Article XIIIC does not define the term "assessment", and it is unclear whether this term is intended to included assessments levied under the 1913 Act. In the case of the unpaid assessments which are pledged as security for payment of the Bonds, the Act provides a mandatory, statutory duty of the County and the Placer County Treasurer-Tax Collector to post installments on account of the unpaid assessments to the property tax roll of the County each year while any of the Bonds are outstanding, commencing with property for fiscal year 1998-99, in amounts equal to the principal of and interest on the Bonds coming due in the succeeding calendar year. The County believes that the initiative power cannot be used to reduce or repeal the unpaid assessments which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the mandatory, statutory duty of the County and the Placer County Treasurer-Tax Collector with respect to the unpaid assessments which are pledged as security for payment of the Bonds.

Effective July 1, 1997, the California State Legislature has enacted Chapter 38, Statues of 1997. Among other things, Chapter 38 adds Section 5854 to the California Government Code to read as follows: "5854. Section 3 of Article XIII C of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution."

Assuming that, if challenged, Section 5854 is upheld as a valid interpretation of Section 3 of Article XIII C, Section 5854 establishes that owners of the Bonds from time to time are entitled to protection from an unconstitutional impairment of their contractual entitlement to receive payment of the principal of and interest on the Bonds by an exercise of the power of initiative seeking to reduce or repeal the assessments and the installments thereon which are pledged pursuant to the Act as security for the Bonds.

The interpretation and application of Proposition 218 and Chapter 38 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainly the outcome of such determination.

Property Owned by the FDIC

The ability of the County to foreclose upon the lien relating to property on which assessments have not been paid may be limited in certain respects with regard to properties in which the Federal Deposit Insurance Corporation (the "FDIC") has an interest. On June 10, 1991 the Resolution Trust Corporation issued a Statement of Policy Regarding the Payment of State and Local Real Property Taxes (the "Policy Statement"). The FDIC has adopted a substantially identical policy. The Policy Statement applies to the FDIC when it is liquidating asset in its corporate and receivership capacities; it does not apply when the FDIC is acting as a conservator. The Policy Statement provides, in part, that owned real property of the FDIC is subject to state and local real property taxes if those taxes are assessed according to the property's value, and that the FDIC is immune from ad valorem real property taxes assessed on other bases. The Policy Statement also provides that the FDIC will pay its proper tax obligations when they become due and will pay claims for delinquencies as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC interest in the property is appropriate. It further provides that the FDIC will pay claims for interest on delinquent property taxes owned at the rate provided under state law. The FDIC will not pay for any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. The Policy Statement also provides that if any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. No property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, a lien for taxes and interest may attach, but the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement is unclear as to whether the FDIC considers the assessments imposed by the County to be "real property taxes" which the FDIC intends to pay. The Policy Statement provides: "The (FDIC) is only liable for state and local taxes which are based on the value of the property during the period for which the tax is imposed, notwithstanding the failure of any person, including prior record owners, to challenge an assessment under the procedures available under state law. In the exercise of its business judgment, the (FDIC) may challenge assessments which do not conform with the statutory provisions, and during the challenge will generally pay tax claims based on the assessment level deemed appropriate. The (FDIC) may, in the exercise of its business judgment, challenge any prior taxes and assessments provided that (1) the (FDIC's) records (including appraisals, offers or bids received for the purchase of the property, etc.) indicate that the assessed value is clearly excessive, (2) a successful challenge will result in a substantial savings to the (FDIC), (3) the challenge will not unduly delay the sale of the property, and (4) there is a reasonable likelihood of a successful challenge".

In a letter dated August 25, 1992 to the Treasurer of the State of California, the FDIC stated that with respect to property owned by an institution under FDIC receivership, the FDIC will pay special taxes, special assessments and related interest if such taxes were imposed and valid liens secured prior to receivership. If any special tax, special assessment or any other non-ad valorem-based tax is assessed while the institution is in receivership the taxes will not be paid. In the letter the FDIC further stated that "where an institution in receivership does not own the underlying real property but holds only a mortgage or other security interest in the property, special taxes and special assessments and related interest, secured by a valid lien with priority over the receivership's institutions lien interest, eventually will be paid (e.g., at the time of foreclosure)." However, the FDIC may elect not to pay such claims but instead abandon its security interest.

The County is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency on a parcel included in the Assessment District in which the FDIC has an interest, although prohibiting the lien of the FDIC to be foreclosed on at a judicial foreclosure sale would likely reduce the number of or eliminate the persons willing to purchase a parcel at a foreclosure sale. Beneficial Owners of the Bonds should assume that the County will be unable to foreclose on parcels of land in the Assessment District owned by the FDIC. Such an outcome would cause a draw on the Reserve Sub-Fund and perhaps, ultimately, a default in payment of the Bonds.

Availability of Funds to Pay Delinquent Assessment Installments

If a delinquency occurs in the Redemption Sub-Fund, the County will transfer into the Redemption Sub-Fund an amount out of the Reserve Sub-Fund needed to pay the debt service on the Bonds. There is no assurance that the balance in the Reserve Sub-Fund will always be adequate to pay the debt service on the Bonds in the event of delinquent assessment installments. If, during the period of delinquency, there are insufficient amounts in the Reserve Sub-Fund to pay all delinquent installments, a delay may occur in payments to the Beneficial Owners of the Bonds. Such risk may be greater or its consequence more severe when ownership is concentrated and may be expected to decrease as ownership is diversified through development and sales.

Limited Obligation Upon Delinquency

The County's obligation to advance monies to pay Bond debt service in the event of delinquent assessment installments shall not exceed the balance in the Reserve Sub-Fund. The County has made an election in the Resolution of Intention not to be obligated to advance amounts from the General Fund of the County for delinquent assessment installments pursuant to Section 8769(b) of the Bond Law; the only obligation of the County is to transfer amounts available in the Reserve Sub-Fund. During a period of delinquency if there are insufficient amounts in the Reserve Sub-Fund, a delay may occur in payments to Beneficial Owners.

Disclosure to Future Property Owners

The County has recorded a notice of assessment lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no assurances that such reference will be made, or, if made, that a prospective property buyer or lender will consider such assessment obligations in the purchase of a parcel or the lending of money thereon. Failure of the parties involved in the sale of a parcel to disclose the existence of the assessment may adversely affect the willingness and ability of future owners of property within the Assessment District to pay the assessment when due.

Factors Which May Affect Property Values

Property values of the property within the Assessment District may be affected by changes in general economic conditions, fluctuations in the real estate market, competition from other developing areas and other factors beyond the control of the property owners.

Concentration of Ownership

Approximately 90.18% of land subject to unpaid assessments is currently owned by Sierra Calvine. The remaining 9.82% of land subject to unpaid assessments has been sold. See "PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1—Property Ownership" Until the sale of additional parcels, the receipt of the annual assessment is dependent on the willingness and the ability of such landowners to pay the assessments when due. Failure of the current landowners, or any successor, to pay the annual assessments when due could result in a default in payments of the principal of, and interest on, the Bonds, when due. No assurance can be made that the Developer, or its successors, will pay the assessments in the future or that they will be able to pay such assessments on a timely basis. See "SOURCE OF PAYMENT FOR THE BONDS—Covenant to Commence Superior Court Foreclosure" for a discussion of certain limitations on the County's ability to pursue judicial proceedings with respect to delinquent parcels. A concentration of ownership could continue to exist even upon completion of the proposed development. A concentration of ownership presents a risk to the owners of the Bonds in that the delinquency of one or more large owners could result in a rapid depletion of the Special Reserve and a default in the payment of the Bonds.

Direct and Overlapping Indebtedness

The ability of an owner of land within the Assessment District to pay the assessments could be affected by the existence of other taxes and assessments imposed upon the property. In addition, other public agencies whose boundaries overlap those of the Assessment District, without the consent of the County, may impose additional taxes or assessment liens on the property within the Assessment District to finance public improvements to be located inside of or outside of the Assessment District. See the information under the heading " PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1—Direct and Overlapping Indebtedness."

[The remainder of this page intentionally left blank.]

LEGAL MATTERS

No Litigation

There is no action, suit or proceeding known to be pending or threatened that seeks to restrain or enjoin the collection of the assessments or the execution or delivery of the Bonds, the Resolutions or in any way contesting or affecting the validity of the foregoing or any proceeding of the County taken with respect to the foregoing. There are no lawsuits or claims pending against the County which would impair the ability of the County to make payments or otherwise meet its outstanding obligations.

Legal Opinion

Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel, will render their opinion with respect to the validity and enforceability of the Bonds. Copies of such approving opinion will be available at the time of delivery of the Bonds. The form of the legal opinion to be delivered by Bond Counsel is included as "APPENDIX F FORM OF OPINION OF BOND COUNSEL" to this Official Statement. The opinion is based on existing laws, regulations, rulings and court decisions. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Certain legal matters regarding the Official Statement will be passed upon for the County by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, Disclosure Counsel.

Tax Matters

In the opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986 (the "Code") that must be satisfied subsequent to the issuance of the Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The County has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

In further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Beneficial Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

NO RATING

The County has not applied to any rating agency for the assignment of a credit rating to the Bonds.

FINANCIAL ADVISOR

Government Financial Strategies, Inc., Sacramento, California, has been retained as Financial Advisor to the County to render certain professional services, including advising the County on a plan of financing for the sale and delivery of the Bonds. Government Financial Strategies, Inc., in its capacity as Financial Advisor, has read and participated in drafting certain portions of this Official Statement. The Financial Advisor has not, however, independently verified the factual information contained in this Official Statement.

UNDERWRITING AND INITIAL OFFERING PRICES

The Bonds were sold to IBIS Securities, LLC (the "Purchaser"), pursuant to a bond purchase contract, for an amount equal to the principal amount of the Bonds, less an underwriter's discount of $65,310.00, for a total purchase amount of $3,429,690.00, at a True Interest Cost (TIC) to the County of 6.486412 %.

The Purchaser has certified to the County and to Bond Counsel that the initial reoffering prices of the Bonds to the general public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which prices at least ten percent (10%) of the Bonds of each maturity were reoffered, are as set forth on the Cover Page hereof. The initial offering prices stated on the Cover Page to this Official Statement may be changed from time to time by the Purchaser. The Purchaser may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

CONTINUING DISCLOSURE

The County and Sierra Calvine have separately and independently covenanted for the benefit of the Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the Assessment District (the "Annual Reports"), by not later than March 31 of each year, commencing with the reports for the 1999-00 Fiscal Year, and to provide notices of the occurrence of certain enumerated events, if material. The obligation of Sierra Calvine, to file reports will terminate when the assessments on the property it owns falls below 20% of the total assessments. The Annual Reports will be filed with each Nationally Recognized Municipal Securities Information Repository, and with the State information depository, if any. The notices of material events will be filed with the Municipal Securities Rulemaking Board and with the State information depository, if any. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The specific nature of the information to be contained in the Annual Reports or notices of material events is set forth below under the caption "APPENDIX C FORM OF CONTINUING DISCLOSURE CERTIFICATES" in addition to the information expressly required to be provided pursuant to its Continuing Disclosure Certificate, Sierra Calvine is also required to provide such further information, if any, as may be necessary to make the specifically required statements in its Annual Report, in light of the circumstances under which they are made, not misleading. The inclusion of financial statements of the County in its Annual Report does not mean that the Bonds are secured by any resources or property of the County other than as described herein. See "SOURCES OF PAYMENTS FOR THE BONDS" and "SPECIAL RISK FACTORS--Limited Obligations Upon Delinquency."

The County bears no responsibility for enforcement of the Developer's continuing disclosure requirements or for the accuracy of the information provided by the Developer in its Annual Reports..

The county has never failed to comply in all material respects with any previous undertakings with regards to said rule to provide annual reports or notices of material events. Sierra Calvine, has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

ADDITIONAL INFORMATION

Additional information concerning the Assessment District, the Bonds or any other matters concerning the sale and delivery of the Bonds may be obtained from the County by contacting the County Treasurer-Tax Collector at the address and telephone number set forth on page "iii" of this Official Statement, or by contacting the County's Financial Advisor, Government Financial Strategies, Inc., 1228 "N" Street, Suite Thirteen, Sacramento, California 95814-5609, telephone (916) 444-5100, facsimile telephone (916) 444-5109.

All of the preceding summaries of the Resolutions, agreements and other documents are made subject to the provisions of such documents respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the County for further information in connection therewith. Further, this Official Statement does not constitute a contract with the purchasers of the Bonds, and any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the County has been duly authorized by its Board.

COUNTY OF PLACER, CALIFORNIA

By: /s/
Jenine Windeshausen
Treasurer-Tax Collector

APPENDIX A

AREA PROFILE

AREA PROFILE

General Information

Placer County is included in the four-county Sacramento Metropolitan Statistical Area. There are six incorporated cities in the County, three major cities, and Auburn as the county seat.

Placer County is one of California's fastest growing counties. It is characterized by high incomes and a technology-based economy. The attractions of the region, including comparatively affordable land and housing as well as a superior quality of life, ushered in a decade of unprecedented expansion. Placer County offers safe neighborhoods, excellent schools, and an outstanding transportation system. The transportation system of federally and state-funded highways was a precipitating factor in the construction of housing, businesses, and industrial parks. This construction of housing and industrial parks brought new residents to Placer County who, in turn, benefited the local economy by demanding goods and services.

Southern Placer County: The southern portion of Placer County lies between the foothills of the Sierra Nevada Mountains and California's Capitol in Sacramento. The area's gently rolling hills and open space grasslands are approximately 100 miles northeast of San Francisco along Interstate 80.

South Placer County's location, life style and seismic stability continues to attract the regions best-managed manufacturing firms. It is emerging from its history as a Sacramento suburb, into a new role as a major economic center of Northern California and the hub of the Sacramento region's technology industry, in much the way San Jose emerged as a San Francisco development center years ago.

The Assessment District is located in the Sunset Industrial Area, an area designated by the Placer County Board of Supervisors in 1997 as a commercial corridor. The Sunset Industrial Area, which straddles Highway 65 between the cities of Roseville and Lincoln, is the largest tract designated for commercial development by any local agency in the four-county Sacramento area. It is zoned for three types of businesses: industrial, commercial, and retail. Growth in the area is fueled by well-known electronics firms. Hewlett-Packard Co, which designs, manufactures, markets and supports computer products, employs 5,400 at its Roseville facility; NEC Electronics, which manufactures semiconductor devices, employs 1,500 in Roseville, Artesyn Solutions Inc., which provides repair, logistics and contract assembly of electronic computing and telecommunication products, employs 1,171 in nearby Lincoln. Numerous satellite firms support the major technology firms in the area. Many other large companies have developed plant facilities in the area including PRIDE Industries, which provides mail services and fulfillment, facility support services, and light manufacturing, employs 2,200 in Roseville; Herman Miller, which manufactures open office furniture systems, employs 405 in Rocklin; Formica Corporation, which manufactures and distributes Formica-brand high pressure laminate, employs 400 in Rocklin, the Oracle Corporation, which provides world-wide technical software support and performs accounting operations, employs 400 in Rocklin, and the Albertson's grocery store distribution center, employs 350 in Roseville. Pacific Bell is also planning a central office for up to 1,150 employees in the Sunset Industrial Area.

Other development in the vicinity of the Assessment District includes the Atherton Technical Center (tenants include TASQ Technology Inc., Vodafone Air Touch PLC, and the GAP) to the east, the Hewlett-Packard distribution facility to the north, and the Union Pacific Railroad rail yards to the west. The land immediately north and south of the Assessment District is zoned for industrial use but is currently vacant. The Union Pacific Railroad employs approximately 1,294 people at its Roseville operation, which is among the most important rail yards in the Pacific Northwest.

Population

Placer County's living conditions, coupled with its economic opportunities, are attracting people from all areas of California and the nation. It is one of the fastest growing counties in Northern California, according to the Real Estate and Land Institute at California State University, Sacramento, increasing its population by about 40% during the 1990's.

A regional growth-projection study by the Sacramento Area Council of Governments concluded that Placer County could expect its population to double by 2022. The report expects the region's population to grow by 56.9%, the number of housing units to jump 57.6% and jobs to increase by 70.5%. Most of the County's growth will occur in cities such as Roseville, Lincoln and Rocklin, not in the unincorporated areas of the County.

The fastest growing cities continue to be Roseville and Rocklin. According to the Eureka Group, Roseville's population growth has averaged 4.85% per year over the past five years, compared to a statewide average of 1.4%. However, between 1997 and

2005, Lincoln is expected to experience the greatest rate of growth, 81.5%. The population in this small city is expected to almost double, increasing from 8,100 in 1997 to almost 15,000 in 2005. The growth in Lincoln is due to proximity to several rapidly growing high tech firms such as Artesyn Solutions Inc. and the development and transportation opportunities offered by Lincoln Air Center, an established industrial park located adjacent to the City's municipally-owned airport. Additional growth in Lincoln is expected from Sun City Lincoln, a Del Webb retirement community planned for 5,300 homes.

The table below of County population by city and unincorporated areas illustrates this increase in population.

Population By Cities And Unincorporated Areas County Of Placer

	1996	1997	1998	1999	2000
Auburn	11,450	11,550	11,650	11,700	11,400
Colfax	1,450	1,470	1,480	1,510	1,500
Lincoln	7,975	8,200	8,300	8,825	9,675
Loomis	6,025	6,050	6,075	6,050	5,925
Rocklin	26,950	28,000	29,450	31,950	35,250
Roseville	59,800	63,500	67,300	72,100	74,200
Total Incorporated	113,650	118,770	124,255	132,135	137,950
Unincorporated	92,600	93,600	95,000	95,400	96,400
County Total	206,250	212,370	219,255	227,535	234,350

Source: California State Department of Finance, Demographic Research Unit

Economic Composition

The area's mix of well-planned neighborhoods, well-placed business parks, schools and plenty of executive housing makes Placer County an undeniable draw to businesses of all types. The biggest reason for the strong local economy is most likely the spillover of companies and from the Bay Area.

The major employers in Placer County represent the full spectrum of technology and manufacturing firms, with a number of national and international industry leaders. New firms encounter a local economy that is geared up to support large or small businesses in a wide range of industries with the labor force, housing, and local government support they require. The largest employer in Placer County is Hewlett Packard, which employs approximately 5,700 workers. Hewlett-Packard's Roseville site is now the company's largest facility anywhere in the world because they believe that Placer is an ideal location for distributing goods and services to Asia/Pacific customers, as well as customers in the Western United States.

In descending order, the top 25 largest employers in the County are listed below.

Largest Employers
County Of Placer

Rank	Company	Number of Employees	Annual Payroll	Type of Business
1.	Hewlett-Packard Co.	5,700	$260,000,000	Electronics
2.	Placer County	2,547	$57,200,000	County Government
3.	PRIDE Industries Inc.	1,532	$28,000,000	Manufacturing
4.	NEC Electronics	1,500	WND	Electronics
5.	Sutter Health	1,439	$78,100,000	Healthcare
6.	Union Pacific Railroad	1,327	$68,400,000	Freight Railroad
7.	Kaiser Permanente	1,300	$103,400,000	Healthcare
8.	Artesyn Solutions Inc.	1,030	$28,000,000	Electronics
9.	Squaw Valley Ski Corp.	1,000	WND	Ski Resort
10.	City of Roseville	925	$52,000,000	City Government
11.	Trimont Land Co. dba Northstar-at-Tahoe	800	$11,700,000	Ski and Golf Resort
12.	Rocklin Unified School District	703	$29,490,000	School District
13.	Roseville Communications Co.	663	$37,500,000	Communications
14.	Albertson's Inc.	660	WND	Retail
15.	Roseville City School District	657	$25,000,000	School District
16.	Resort at Squaw Creek	650	$14,000,000	Hotel
17.	Herman Miller Inc.	550	$14,400,000	Manufacturing
18.	Roseville Joint Union High School District	532	$29,800,000	School District
19.	Mountain People's Warehouse	530	$14,000,000	Food Distributor
20.	Coherent Inc.	520	$22,000,000	Manufacturing
21.	Sierra Community College District	416	$9,000,000	Community College
22.	Formica Corp.	410	$17,000,000	Manufacturing
23.	Dry Creek Joint Elementary School District	376	$16,000,000	School District
24.	Del Webb's Northern California Communities	324	$14,800,000	Developer
25.	Sierra Pacific Industries	300	WND	Lumber

WND - Would Not Disclose
Source: Sacramento Business Journal, March 24, 2000

Labor Force

The fastest growing job sector in Placer County is business services. This category includes temporary employment agencies, Internet service providers, software research and development outfits, e-commerce companies, health services and security. The service industry in general accounted for 11,500 of last year's new jobs, or 30%. State and local government was the next biggest source of job growth, adding 10,200 jobs. Construction was third, with contractors adding 7,100 jobs. It increased 17% from 1998, the biggest single gain among all the industries.

The County is recognized for employment opportunities. Placer County's unemployment rate dropped to 2.9% during April, the lowest mark for that month in at least 16 years. The County had 3,500 unemployed workers out of a total civilian workforce of 122,200 people. Placer County's 2.9% rate was well below the 4.8% reported for the state as a whole.

Labor market information for the County over the last five years is detailed in the following table.

Annual Labor Force and Unemployment Averages
County Of Placer

	1995	1996	1997	1998	1999
Labor Force	102,900	106,300	110,600	115,500	119,900
Employment	96,500	100,700	105,500	110,900	116,000
Unemployment	6,400	5,600	5,100	4,700	3,900
Unemployment Rate	6.2%	5.3%	4.6%	4.0%	3.3%

Source: Employment Development Department, Labor Market Information Division

Income

Personal income in Placer County rose faster than it did in the Greater Sacramento Area and the State since 1990. Between 1990 and 1997, income rose 75% in the County compared to 43% for the Greater Sacramento Area and 37% for the State. During the same time period, per capita personal income in Placer County has been consistently higher than both the Greater Sacramento Area and the average for the State. In particular, the City of Roseville's purchasing power is above average with a per capita personal income rank of 11th.

The table below illustrates the increasing personal income and per capita personal income for Placer County.

Personal Income And
Per Capita Personal Income
County Of Placer

Year	Personal Income	Per Capita Personal Income
1994	$5,019,417	$25,296
1995	$5,518,618	$26,794
1996	$6,040,468	$28,314
1997	$6,667,432	$30,241
1998	$7,408,128	$32,319

Source: Bureau of Economic Analysis

Largest Taxpayers

The ten largest taxpayers within the County of Placer, as shown on the 1998-99 secured tax roll, and the amount of their respective property tax levy for all taxing jurisdictions within the County of Placer, are shown below. These top ten taxpayers accounted for 10.3% of the County of Placer's total assessed valuation and were levied a total of $24,836,914 in taxes for fiscal year 1998-99.

Ten Largest Taxpayers and Taxes Levied
County Of Placer

Rank	Taxpayer	Type Of Business	Property Taxes	% of Total Property Taxes
1.	NEC Electronic Inc.	Electronics	$7,010,156	2.9%
2.	Pacific Gas and Electric	Public Utility	$4,301,823	1.8%
3.	Hewlett Packard Company	Electronics	$3,184,893	1.3%
4.	Richland Irvine, Inc.	Development	$2,251,859	0.9%
5.	Kaiser Foundation Hospitals	Healthcare	$2,093,857	0.9%
6.	Stanford Ranch	Development	$1,522,808	0.6%
7.	Roseville Telephone Company	Public Utility	$1,331,682	0.6%
8.	Pacific Bell	Public Utility	$1,172,291	0.5%
9.	Diamond Creek Partners, LLD	Development	$1,073,386	0.4%
10.	Evergreen Creekside, LLD	Development	$894,159	0.4%
			$24,836,914	10.3%

Source: Placer County Auditor-Controller's Office

Commercial Activity

The County has witnessed regular increases in commercial activity over recent years. In Placer County, the majority of taxable sales revenue is obtained from retail outlets.

Retail sales are on fire in Roseville. The city was among the top 10% for per capita retail sales in the state, and in the top 3% for per outlet sales. From 1993 to 1998, Roseville's retail outlets grew at an annual rate of 4.4%, while retail sales grew 11.7% annually. Roseville, with $1.416 billion in annual retail sales, is ranked number two behind Cerritos of cities with populations under 100,000 and annual retail sales above $1 billion, according to the Eureka Group's 1999 California Retail Survey of 272 California cities. With expected retail sales of $300 million annually when the Galleria at Roseville opens in August, Roseville is expected to become number one in annual retail sales for cities with populations under 100,000. The Galleria will be anchored by Nordstrom and other well-known retailers.

Placer County's taxable retail sales for 1994 through 1998 are shown in the exhibit below.

Taxable Retail Sales
County Of Placer
(000s)

Sales	1994	1995	1996	1997	1998
Retail Stores Total	$1,633,035	$1,757,661	$1,921,604	$2,122,328	$2,345,526
Total All Outlets	$2,387,039	$2,512,880	$2,783,550	$3,066,395	$3,405,178

Source: State Board of Equalization

Building Construction Activity

Roseville's popularity as a location for office development has resulted in construction of nearly 1 million square feet of new office space this past year - the highest volume under construction at any one time ever in the city. For the city, commercial construction in 1998 totaled $93.6 million, and total construction was valued at $495.7 million for 1999 compared with $512.7 million for 1998. This year, the Roseville-Rocklin area should see a 118% increase in completed office construction over last year, as estimated by CB Richard Ellis.

Building permits last year were issued for 3.4 million square feet of office, retail and industrial space - 50% more that 1998, which had been a record year. Occupancy permits were issued for 2.2 million square feet of new office, industrial and retail space, double last year's total.

Residential development is also booming in Placer County. In 1999, there was a 25% increase in the number of sales compared to 1998, and a 34% increase in dollar volume. The average construction valuation of a new home in Roseville jumped from $168,000 in 1998 to $192,000 in 1999, according to the city's chief building inspector.

The following table provides a summary of building permits and valuations for the years beginning 1996 through May of 2000.

Building Permits and Valuations
County Of Placer

	1996	1997	1998	1999	2000 [1]
County Valuation					
Residential	$118,593,137	$126,613,200	$127,114,680	$191,802,151	$166,104,670
Nonresidential	$14,734,233	$24,045,360	$27,510,845	$24,881,523	$17,204,675
Total County Valuation	$133,327,370	$150,658,560	$154,625,525	$216,683,674	$183,309,345
County Building Permits					
Residential	4,305	4,115	3,808	4,504	4,009
Nonresidential	245	275	330	307	274
Total County Permits	4,550	4,390	4,138	4,811	4,283

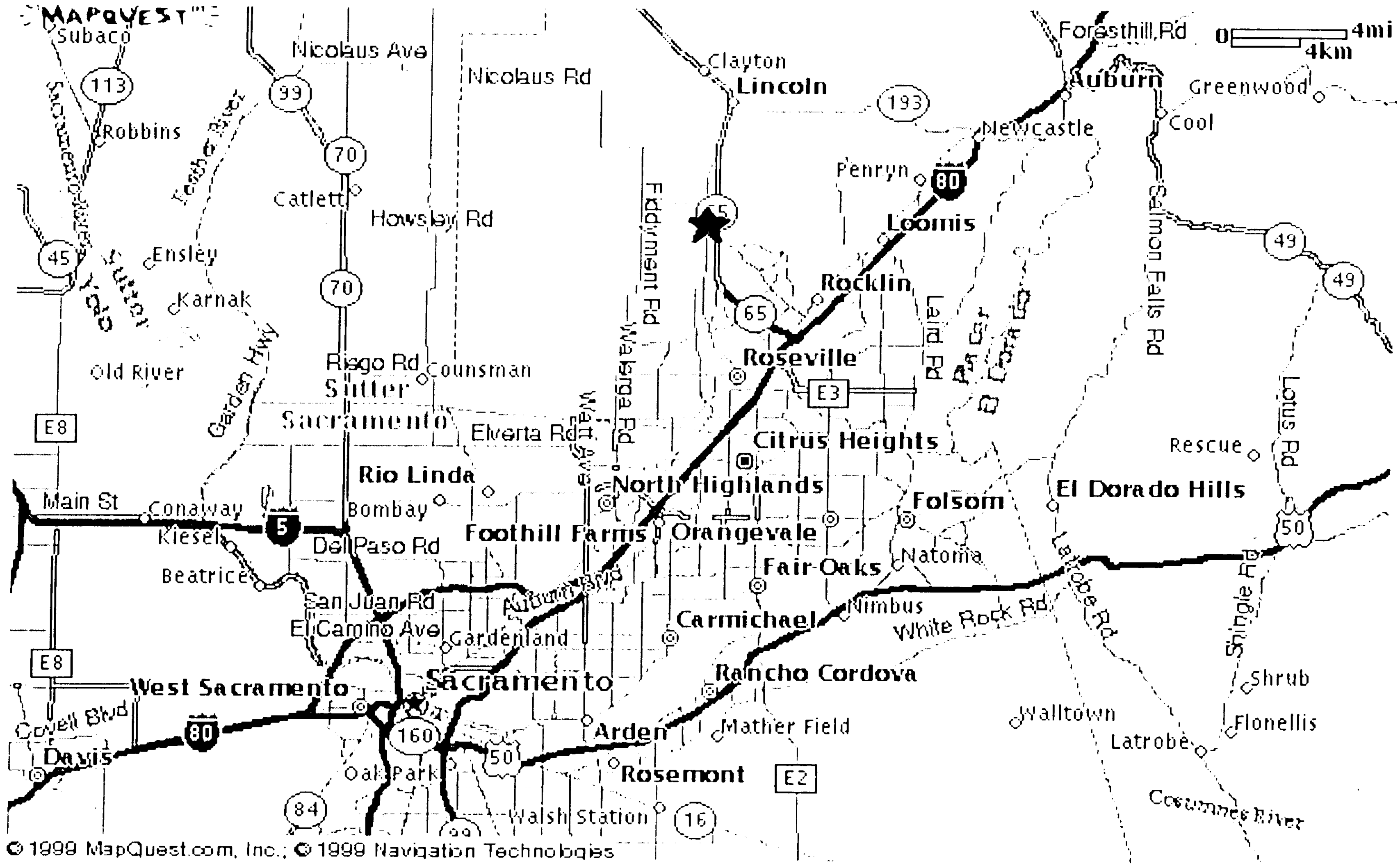
[1] Through May 2000
Source: Placer County Building Department

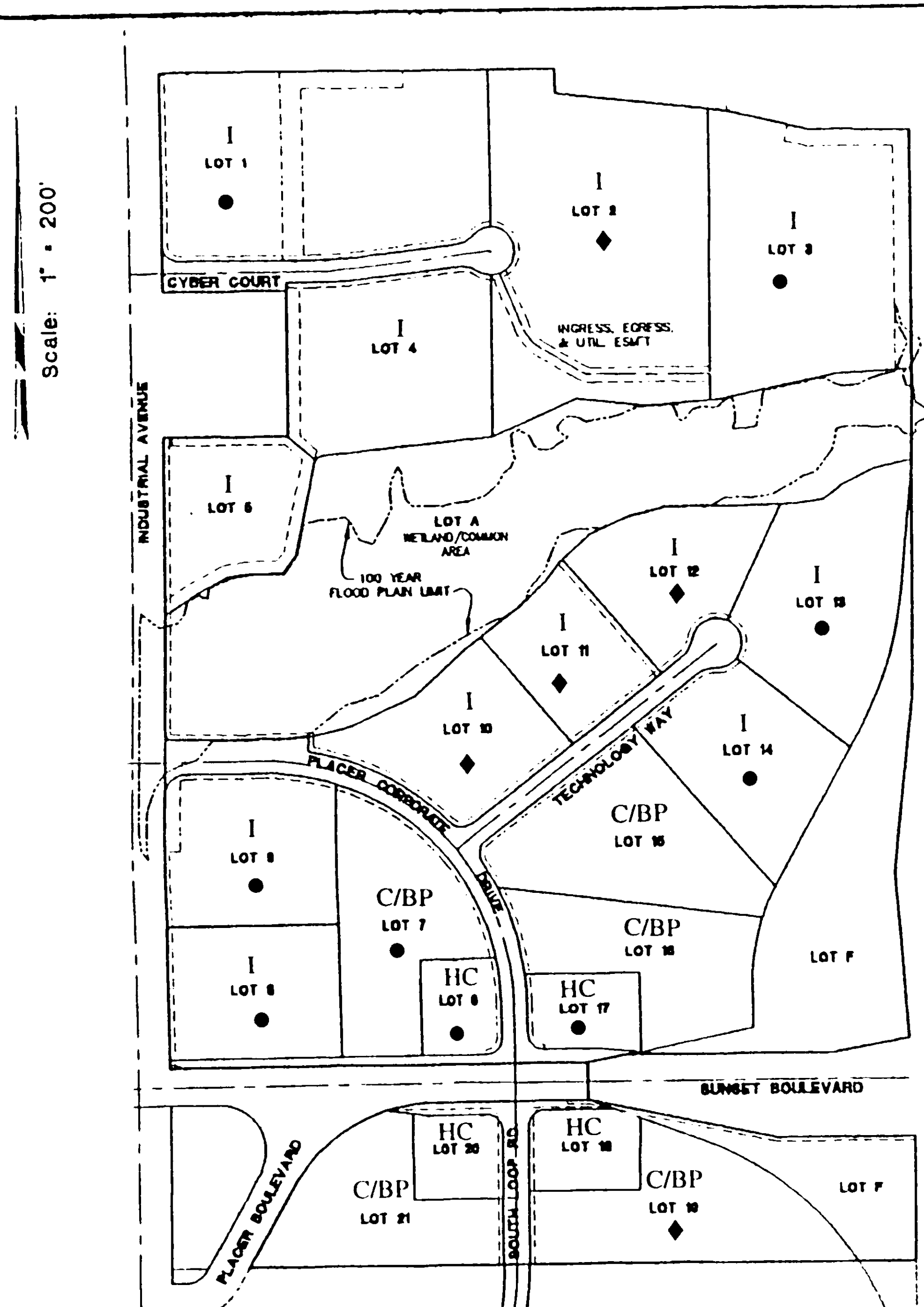
THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX B

LOCATION MAP AND
PARCEL MAP

Location Map





INFORMATIONAL SHEET ONLY

THIS SHEET CONTAINS ADDITIONAL INFORMATION TO BE RECORDED IN CONFORMANCE WITH SECTION 66434.2 OF THE SUBDIVISION MAP ACT.

THE ADDITIONAL INFORMATION SHOWN ON THIS SHEET IS FOR INFORMATIONAL PURPOSES, DESCRIBING CONDITIONS AS OF THE DATE OF FILING, AND IS NOT INTENDED TO AFFECT RECORD TITLE INTEREST. THE INFORMATION IS DERIVED FROM PUBLIC RECORDS OR REPORTS AND DOES NOT IMPLY THE CORRECTNESS OR SUFFICIENCY OF THOSE RECORDS OR REPORTS BY THE PREPARER OF THIS ADDITIONAL INFORMATIONAL SHEET

NOTES:

1. IF THE SOILS REPORT INDICATES THE PRESENCE OF CRITICALLY EXPANSIVE OR OTHER SOILS PROBLEMS WHICH, IF NOT CORRECTED, WOULD LEAD TO STRUCTURAL DEFECTS, ADDITIONAL INVESTIGATIONS, PRIOR TO ISSUANCE OF BUILDING PERMITS, MAY BE REQUIRED FOR SUBDIVISIONS. IT IS THE RESPONSIBILITY OF THE DEVELOPER TO PROVIDE FOR ENGINEERING INSPECTION AND CERTIFICATION THAT EARTHWORK HAS BEEN PERFORMED IN CONFORMITY WITH RECOMMENDATIONS CONTAINED IN THE REPORT.

INFORMATIONAL SHEET ONLY

TRACT NO. 854
PLACER CORPORATE CENTER
A PORTION OF SECTIONS 9 AND 10
TOWNSHIP 11 NORTH, RANGE 6 EAST; M.D.M.
PLACER COUNTY CALIFORNIA
JANUARY 2000

SPANNAGEL AND ASSOCIATES, INC.
ROCKLIN, CALIFORNIA

Sheet 7 of 7

PCC-RC06.DWG 3-13-00 10:34:14 am PST

C/BP Commercial/Business Professional
HC Highway Commercial
I Industrial

◆ SOLD
● IN CONTRACT
As of 7/25/00

THIS PAGE INTENTIONALLY LEFT BLANK

APPENDIX C

SELECTED PAGES OF THE UPDATED APPRAISAL

May 18, 2000

Mr. John P. Weber, Right-Of-Way Agent
Placer County Department of Public Works
11444 B Avenue
DeWitt Center
Auburn, California 95603

RE: Appraisal Update
Placer Corporate Center Assessment District No. 1
Placer County, California

Dear Mr. Weber:

At your request we have analyzed the factors relative to our ability to perform an update (extension) of our original appraisal dated October 28, 1999. As an update this report incorporates all of the market data and conclusions included in that document by reference. This document may only be used in conjunction with our original appraisal.

This updated valuation is intended to comply with Advisory Opinion "AO-3" as described in the 2000 edition of the Uniform Standards of Appraisal Practice (USPAP). As defined, "an update involves a combination of incorporation by reference from an original report and description and analysis of changes in conditions between the effective date of the update and the prior report or update." Thus, as indicated above, this update can not be fully understood without reading the original report and should only be relied upon by a reader that is familiar with that document.

The reader is advised that four conditions had to have been met before this update assignment was accepted.

First the update may only involve the original appraiser/firm and client. Secondly, the time period between the effective date of the original appraisal and the effective date of the update must not be unreasonably long for the type of real estate involved. Thirdly, the real estate must not have undergone a significant change since the original report (highest and best use issue). Lastly, any changes in market conditions and the status of the subject since the original appraisal and the effective date of the update must be identified and analyzed.

This update conforms to all four requirements; we are the appraisers of the original report, the subject property has not changed in a significant way (in terms of highest and best use), and based on our investigation, an unreasonable time period has not elapsed since our original appraisal. And finally, we will in this report address the issues of changes in market conditions, as well as changes in the subject's status.

For the reader's reference we have included within this report excerpts from our original appraisal. Specifically, we have provided the definition of market value, date of value estimate, property rights appraised, valuation approaches used, and a summary conclusion of the highest and best use analysis (no change). In addition we have addressed in this report changes in market conditions, the subject's individual lot sizes, development status and valuation factors. Accordingly, this report includes new market information and a current conclusion of value.

This update was prompted by our client's desire to address the fourth item mentioned previously (changes in market conditions and status of the subject property). The most notable changes to the subject property relate to the property's development status (rough grading completed to date) and slight variations in several lot sizes. The change in market conditions relates to the overall increase in land values since our original report.

Similar to our original appraisal, this analysis will address the subject's value based on the assumption that the site improvements to be funded by the Placer Corporate Center are complete. Both an aggregate retail value estimate and a bulk value estimate will be derived for this prospective condition. Finally, an as is value estimate will also be presented. Accordingly, this update considers the subject's physical condition as of the date of this report and the time required to complete. We have estimated that the cited improvements. These factors, as well as updated development cost estimates, have been addressed in the valuation section of this report.

In summary, the subject of this update, the Placer Corporate Center, consists of 21 parcels (site development underway) which will offer 22.14 acres of commercial land area and 54.42 acres of industrial park land area. According to the master developer (Sierra Calvine, LLC) approximately 15% of the primary infrastructure is complete. The balance of these improvements could be completed in 180 days (depending on weather conditions).

As a result of the investigation and analysis, it is our opinion that the requested market value(s) of the subject property are …

Prospective Aggregate Retail Value of the Improved Lots at Completion of the Site Improvements to be Funded by the Placer Corporate Center Assessment District (May 2001):	**$15,995,000**
Prospective Market Value (in bulk) of the Improved Lots at Completion of the Site Improvements to be Funded by the Placer Corporate Center Assessment District (September 2000):	**$13,604,000**
As-Is Value of the Subject Property (May 6, 2000):	**$10,413,000**

Our currnet estimate of the subject's prospective aggregate value, at the completion of primary public infrastructure, is approximately 5.2% greater than our previously concluded value estimate. This increase in value incorporates the fact approximately 56% of the subject's land area (net acreage) has either transferred to third parties or is scheduled to transfer via pending sale agreements. In addition, another 21% of the entire project area is under negotiations for sale. Combined, the sales and pending sales and property under negotiations for sale total approximately 77% of the entire Placer Corporate Center development. These factors prompted a shorter projection period for the project's overall absorption.

The subject property is in the development process. Many of the issues and costs surrounding development are known and are utilized in this report. The conclusions and assumptions made in this report are based on sources deemed reliable. However, a thorough reading of the original report, as well as this updated report, is necessary to understand these assumptions, the strengths and weaknesses of the analyses, the property and the value conclusion. If during the development process, any assumptions or costs change or are reported to be in error, revisions to the report will be necessary and the concluded values will require revision.

We hereby certify that we have impartially considered all data collected in the investigation. Further, we have no interest in the property, the appraisal has been made in accordance with the professional standards of the Appraisal Institute, and the appraisal standards for land-secured financings published by the California Debt Advisory Commission.

Sincerely,

P. Richard Seevers, MAI
State Certification No. AG001723
Expires: August 12, 2000

Kevin K. Ziegenmeyer, Appraiser
State Certification No. AG013567
Expires: June 4, 2001

/nfw

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Project:	Placer Corporate Center
Property Type:	Mixed-use land (industrial and commercial uses)
Ownership:	Sierra Calvine LLC, a California Limited Liability Company
Property Rights Appraised:	Fee simple, subject to special tax and assessment liens
Location:	The appraised property represents the land area between Highway 65 and Industrial Avenue, north and south of Sunset Boulevard, Placer County, California.
Assessor's Parcel Number(s):	017-061-016, 017-061-017, 017-270-004 and 017-280-003[1]
Zoning:	Industrial Park – Design Scenic Corridor (INP-DC) Commercial – Conditional Use Permit Required – Design Scenic Corridor (C2-UP-DC)
Flood Zone:	Zone C, an area of minimal flooding according to Flood Insurance Rate Map Community Panel Number 060239-0413 C, dated April 18, 1983 and published by the Federal Emergency Management Agency.
Earthquake Zone:	The subject property is not located within a seismic special studies zone, designated by the California State Division of Mines and Geology, in accordance with the Alquist-Priolo Special Study Zone Act of 1972.
Land Area:	106.22 gross acres 76.56 net acres
Current Use:	Vacant land
Highest and Best Use:	Mixed-use development
Prospective Aggregate Retail Value of the Site Improvements to be Funded by the Placer Corporate Center Assessment District:	May 2001

[1] The subject property does have final map approval, however, new assessor's parcel numbers have not been assigned at this time.

Prospective Market Value (in bulk) of the Improved Lots at Completion of the Site Improvements to be Funded by the Placer Corporate Center Assessment District: September 2000

As Is Value: May 6, 2000

Date of Report: May 18, 2000

Prospective Aggregate Retail Value of the Improved Lots at Completion of the Site Improvements to be Funded by the Placer Corporate Center Assessment District (May 2001): **$15,995,000**

Prospective Market Value (in bulk) of the Improved Lots at Completion of the Site Improvements to be Funded by the Placer Corporate Center Assessment District (September 2000): **$13,604,000**

As-Is Value of the Subject Property (May 6, 2000): **$10,413,000**

Prepared For: Mr. John P. Weber
Placer County

Prepared By: P. Richard Seevers, MAI
Kevin K. Ziegenmeyer

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property as it progresses through the development process. This valuation will address the subject's as-is value as vacant land entitled for mixed-use development (site improvement work underway) and its prospective value based on the completion of the infrastructure and facilities to be funded by the Placer Corporate Center Assessment District. Two prospective values will be included. The first will represent the subject's aggregate retail value and the second will address the subject's improved value on a bulk basis. These three valuation scenarios are based on the fee simple estate, subject to special tax and assessment liens.

The appraised property consists of the land area between Highway 65 and Industrial Avenue, north and south of Sunset Boulevard, Placer County, California.

INTENDED USE OF THE APPRAISAL

It is our understanding that this report will be used for bond underwriting purposes.

CLIENT AND INTENDED USER OF THE APPRAISAL

Mr. John P. Weber, representing the Placer County, requested this appraisal. It is our understanding that the report will be used by Placer County and their bond underwriter.

PROPERTY RIGHTS APPRAISED

The value estimate is for the ***fee simple estate***, which is defined as absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation. In accordance with the appraisal standards for land-secured financing in the State of California, the definition of value is defined as the ***fee simple estate, subject to special assessment liens.***

TYPE OF APPRAISAL AND REPORT FORMAT

As requested by the client, this report documents an update to our original complete appraisal of the subject property. The original analysis and findings were presented in a self-contained report format. As an update, this report incorporates all of the market data and conclusions included in our original report by reference. This document may only be used in conjunction with that document.

This updated report provides an overview of the property and other general information. A market overview section is provided to identify the changes that have occurred since the original appraisal and prior update. In the remainder of this report, the only descriptive information provided are the changes in the subject's physical condition and market conditions that have occurred since the original appraisal. A new highest and best use section is not presented, since the highest and best use of the property, mixed-use development, has not changed. Due to the physical changes in the project's improvement status and the updated market data, an updated valuation section is presented.

DATE OF INSPECTION

The subject property was inspected on May 6, 2000.

EFFECTIVE DATE OF VALUE

Our analysis is concerned with the valuation of the subject property as follows:

Prospective Aggregate Retail Value of the Site Improvements to be Funded by the Placer Corporate Center Assessment District:	May 2001
Prospective Market Value (in bulk) of the Improved Lots at Completion of the Site Improvements to be Funded by the Placer Corporate Center Assessment District:	September 2000
As Is Value:	May 6, 2000

DATE OF REPORT

This report was finalized and assembled on May 18, 2000.

APPRAISAL PROBLEM

The appraisal problem is concerned with estimating the market value of 106.22 gross acres with approvals for mixed-use development. The subject is located in the Sunset Community Plan, within south Placer County. As of our date of inspection, the property is under development, with various land uses permitted via an approved final map. After completion of the public infrastructure improvements (construction underway), the subject property will yield 21 improved parcels containing 76.56 net acres of land.

Summarized on the facing page are the subject's land uses by lot number.

The subject property, in its prospective condition, will contain improved industrial and commercial sites, as well as common area. The commercial component of the subject property consists of Highway Commercial classified land and Commercial/Business Professional land. The later designation allows office uses. We have been requested to value the subject property as-is, as well as its prospective condition on an aggregate retail basis and prospective bulk basis, assuming the completion of the infrastructure and facilities to be funded by the Placer Corporate Center Assessment District. The as-is value conclusion presented in this report is based on the subject's current physical condition (partially completed site work). The subject's prospective bulk value (as completed lots) and as-is value are based on our utilization of the subdivision development method. The sales comparison approach to value will be utilized as a component of the subdivision development method. Under the subdivision development method the sales comparison approach will be employed in the aggregate retail valuation of the subject property. The discounted cash flow analysis, under the subdivision development method, will lead to the as-is value, as well as the prospective bulk value.

The subdivision development method is defined as follows:

> A method of estimating land value when subdivision and development are the highest and best use of the parcel of land being appraised. All direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price of the finished lots; the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the raw land.[2]

This appraisal report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP) and the Appraisal Standards for Land Secured Financing published by the California Debt Advisory Commission.

[2] The Dictionary of Real Estate Appraisal, 3rd ed. (Chicago: Appraisal Institute, 1993) 354.

SCOPE OF THE APPRAISAL

The scope of this report included:

- a physical inspection of the subject property and all comparable market data;
- verification of public information relating to property assessments, zoning and utilities;
- telephone and personal interviews with persons considered knowledgeable regarding the subject property and similar properties;
- an estimate of a probable marketing time for the subject property based on sales and listings of similar properties and interviews with local real estate professionals;
- an analysis of local area land use trends as well as proposed and/or present construction activity;
- a determination of the highest and best use as vacant according to the four tests of legal permissibility, physically possible, financial feasibility and maximum profitability was determined for each land use designation;
- an estimate of site value by comparison with available sales of similar zoned parcels. Consideration was given to improvement status, bond assessments, and current market trends;
- an estimate of the aggregate retail value of the proposed improved sites by using the sales comparison approach to value;
- an estimate of the absorption period for the proposed residential lots;
- derivation of the expenses associated with the sell-out of the project;
- derivation of a discount rate for application in the subdivision development method of land valuation; and
- an estimation of the prospective market value for the subject property, upon completion of public improvements to be funded by the Placer Corporate Center Assessment District No. 1. An aggregate retail and bulk value estimate will be presented, as well as the subject's as is value. The subdivision development method of valuation will be employed to derive these value estimates.

The market data contained in this report was obtained from a variety of sources, is considered reliable, and has been utilized to document the valuation conclusions.

APPRAISAL PREMISE DEFINITIONS

This appraisal of the subject properties has been made in accordance with the following definitions:

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in United States Dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[3]

Marketing Period

1. The time it takes an interest in real property to sell on the market subsequent to the date of an appraisal.
2. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by current market conditions. Marketing time differs from exposure time, which is always presumed to proceed the effective date of the appraisal.[4]

[3] Federal Register, vol. 55, no. 163, August 22, 1990, 34228 and 34229.
[4] The Dictionary of Real Estate Appraisal, 3rd ed. (Chicago: Appraisal Institute, 1993) 220.

Exposure Time

1. The time a property remains on the market.

2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.[5]

As-Is Value

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.[6]

Prospective Value Estimate

A forecast of the value expected at a specified future date. A prospective value estimate is most frequently sought in connection with real estate projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy at the time the appraisal report is written.[7]

---

[5] The Dictionary of Real Estate Appraisal, 3rd ed. (Chicago: Appraisal Institute, 1993) 126.
[6] The Dictionary of Real Estate Appraisal, 385.
[7] The Dictionary of Real Estate Appraisal 283.

MARKETING TIME AND EXPOSURE PERIOD

Marketing Time

When deriving the gross sales revenue in this valuation analysis, a number of land sale transactions were identified as being comparable to the subject's various components. Generally, these sales were marketed over a 6 to 12 month period.

Market participants indicate that, if appropriately priced, each of the subject parcels could be marketed within a twelve-month time frame. This is basically consistent with the average marketing times of other vacant commercial and industrial properties located in the subject's neighborhood and surrounding areas.

Based on national and local market information, it is not unreasonable to expect that a sale of each subject parcel could be achieved within a twelve (12) month time frame. Inherent within the marketing time estimate is pricing at or near market and the listing of the property with a competent commercial brokerage firm. This estimate of marketing time is applicable to each individual lot.

It is our conclusion that the subject property could be sold in bulk, within a 12-month time period (subsequent to the date of value). A more detailed discussion of the subject's projected absorption period will be addressed later in this report.

Exposure Period

Inherent in the definition of market value and marking time is an adequate amount of *exposure* on the open market. Two excerpts for the definitions of both market value and marketing time are listed as follows:

Market Value:

> "... a reasonable time is allowed for *exposure* in the open market."

Marketing Time:

> "...the anticipated time required to *expose* the property to a pool of prospective purchasers and to allow appropriate time for negotiation ..."

Based on recent historical market conditions, the exposure time for the subject property is estimated to be equal to the marketing time previously stated (12 months – preceeding the date of value).

SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS

1. *The infrastructure and in-tract construction costs for the entire subject property are estimated at $4,955,923. The cost budget provided for this analysis is presented in the Addenda to this report. For the purpose of this valuation analysis, it is assumed these costs are reasonably accurate. If the cost budget is altered, or the final costs significantly differ from those provided, the value derived herein could be subject to change.*

2. *The value derived in this report is directly tied to the subdivision map and phasing of the project provided by the subject property owners. Any significant change in the number or size of the parcels, or in the phasing of the project, could affect the value of the subject property. It is assumed the subject will be subdivided and phased as represented by the property owners for this analysis.*

3. *The gross and net acreage references utilized in this report are based on information provided by the property owner and/or their engineering consultants, Spannagel and Associates, Inc., located at 3845 Atherton Road, Suite 7, Rocklin, California 95765. For the purpose of this analysis we have relied on the gross and net acreage amounts provided by the engineering consultants.*

4. *The prospective estimates of market value contained within this report assume the completion of the public improvements to be funded by the Placer Corporate Center Assessment District No. 1. These improvements were discussed in detail in our original appraisal report. In summary, the improvements include all roadways, sewer, water, storm drainage, dry utilities and appurtenances necessary for development of each lot in the subdivision. Capacity for extension of services is provided where appropriate.*

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following general assumptions and limiting conditions:

1. *No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.*

2. *No responsibility is assumed for matters of law or legal interpretation.*

3. *The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.*

4. *The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.*

5. *It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.*

6. *It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.*

7. *It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described and considered in the appraisal report.*

8. *It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.*

9. *It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.*

10. *Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.*

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.

12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.

13. Possession of this report or a copy thereof, does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Seevers • Jordan • Ziegenmeyer.

14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Seevers • Jordan • Ziegenmeyer.

15. The liability of Seevers • Jordan • Ziegenmeyer and its employees/subcontractors for errors omissions, if any, in this work is limited to the amount of its compensation for the work performed in this assignment.

16. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.

CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice;
- I have made a personal inspection of the property that is the subject of this report;
- Kevin Ziegenmeyer, Appraiser, and David DeMello inspected the subject property and provided significant professional assistance in the preparation of this report. This assistance included the collection and confirmation of data, and the analysis necessary to prepare a draft report with a preliminary estimate of value;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- I certify that my State of California general real estate appraiser certificate has never been revoked, suspended, cancelled, or restricted;
- I have the knowledge and experience to complete this appraisal assignment and have appraised similar properties in the past. Please see the Qualifications of Appraiser portion of the Addenda to this report for additional information; and
- As of the date of this report, I, P. Richard Seevers, MAI, have completed the requirements under the continuing education program of the Appraisal Institute.

P. Richard Seevers

P. RICHARD SEEVERS, MAI
State Certification No.: AG001723 (Expires: August 12, 2000)

CERTIFICATION OF VALUE

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice;
- David DeMello and I have made a personal inspection of the property that is the subject of this report;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- I certify that my State of California general real estate appraiser certificate has never been revoked, suspended, cancelled, or restricted; and
- I have the knowledge and experience to complete this appraisal assignment and have appraised similar properties in the past. Please see the Qualifications of Appraiser portion of the Addenda to this report for additional information.

KEVIN K. ZIEGENMEYER, APPRAISER
State Certification No.: AG0 (Expires: June 4, 2001)

INDUSTRIAL MARKET OVERVIEW[8]

Introduction

The Sacramento industrial market is off to a great start for the new millennium. Vacancy rates have decreased slightly in the first quarter of 2000, and have steadily declined over the last two years. Net absorption declined slightly because speculative construction activity continued. Average asking lease rates have leveled off this quarter, and should continue to remain static over the near-term. The prognosis for the market is excellent, especially given the regional job growth to current and pending supply.

The first quarter vacancy rate was 5.5%, which is down from year-end 1999. Over 500,000 square feet of space was added to the market this quarter. Moreover, there are 39 industrial buildings under construction that will bring over 4.1 million square feet into the marketplace.

The Sacramento region will continue to be of interest to the general manufacturing companies not currently located in California and from others seeking relocation because of the economic advantages of our region. There should not be any major rental increases like we saw in 1999, and with McClellan Air Base and the Army Depot (Packard Bell's former plant) adding to the existing building inventory, many users will have very competitive alternatives to choose from in the marketplace. The most active areas for leasing will continue to be along the I-80 corridor from West Sacramento through North Natomas and Southern Placer County, as well as the Woodland area. Overall, the Sacramento Industrial market will experience a very healthy and strong 2000.

The Sacramento market has over 135 million square feet of industrial space (based upon the CB Richard Ellis inventory of all industrial buildings in excess of 4,000 square feet) and vacancy levels have been in the single digit range since the fourth quarter of 1993.

The Sacramento region is in relatively close proximity to Silicon Valley and the Bay Area. Many firms from these areas have relocated to the Sacramento area to take advantage of inexpensive land and an educated work force. In recent years, the Sacramento area has become the home for many high-tech related companies. Several high-tech related companies including JVC Disk America, California Precision Molding, and Zytec have relocated to the Sacramento area.

[8] Source: CB Richard Ellis and Grubb & Ellis published overviews and statistics.

Economic Conditions

Economic conditions in the Sacramento Area were strong during the first quarter of 2000. Unemployment in the region was 3.9%, 70 basis points lower than a year ago. The region's unemployment rate remained below the state average, which was 5.0% during the quarter, due in part to the large amount of jobs created as a result of the Area's robust construction activity. In the last year, the region has added 4,800 new jobs in the construction industry. The total count in the region has increased by 26,100 jobs. The services and construction industries posted the largest increases. Employment in the trade, government, manufacturing, finance, insurance and real estate, transportation, and public utilities industries has increased as well.

Vacancy Rate

In most submarkets vacancy levels for the first quarter of this year were lower than vacancy levels of the last quarter. Vacancy rates ranged from as low as 0.8% in the Folsom/El Dorado submarket to as high as 14.6% in the Elk Grove/Laguna submarket. The largest declines in vacancy were the Northgate/Natomas submarket which dropped from 11.3% to 8.1% and the Roseville/Rocklin submarket which fell from 6.7% to 4.6%. The overall market vacancy rate fell from 5.7% to 5.5%. More space came to market in the first quarter but strong absorption of this new space, in addition to leasing of previously vacant space led to a very healthy quarter overall.

Net Absorption

There were 1,120,793 square feet of positive net absorption this quarter in the Sacramento industrial market. Net absorption during the first quarter was down 137,305 square feet from the prior quarter. The net absorption seen in the current quarter represents a minimal reduction from the same quarter a year ago, when there was approximately 1,200,000 square feet of positive net absorption.

Average Asking Lease Rates

The asking manufacturing and warehouse lease rates ranged from a low of $0.16 to a high of $0.40 in the first quarter; this remained constant from fourth quarter 1999. R&D lease rates ranged from a low of $0.42 to a high of $1.20 for highly specialized facilities. For the past five quarters, rents for well located, quality properties have been slowly increasing, with the exception of the Power Inn submarket.

Construction Activity

At the end of the first quarter of 2000 there was over 4,000,000 square feet of construction underway. Most of this construction is centered in the West Sacramento, Natomas/Norhtgate and southern Placer County submarkets where there were also healthy net absorption numbers. Over 500,000 square feet of new space was completed during the first quarter. Most of the newly completed industrial buildings were centered in the southern Placer County and Yolo County submarkets.

According to CB Richard Ellis, the total industrial market inventory in the Sacramento area (including Vacaville, Fairfield, Auburn/Newcastle) was 156,097,039 square feet as of the first quarter 2000. The overall vacancy rate for industrial properties as of the first quarter 2000 was 5.5%. The most active areas for net absorption during the first quarter were Roseville/Rocklin/Lincoln, Woodland/Davis, and Northgate/Natomas. Many of the regions submarkets have overall vacancy rates of less than 4.0%, including Downtown at 1.4%, Richards Boulevard at 3.7%, South Sacramento at 3.4%, Rancho Cordova/Highway 50 at 3.7%, and Folsom/El Dorado Hills at 0.8%.

Area Vacancy Rates and Market Size

The following table exhibits the total rentable area and compares the vacancy rates for the first quarter of 2000 to that of the fourth quarter of 1999.

Area	Total Net Rentable Area	1st Qtr. 2000 Vacancy	4th Qtr. 1999 Vacancy
Natomas/Northgate	9,619,003	8.1%	11.3%
Richards Boulevard	5,925,980	3.7%	2.0%
Downtown/Midtown/ E. Sacto.	6,090,761	1.4%	2.2%
West Sacramento	15,611,852	4.9%	4.3%
South Sacramento	4,914,028	3.4%	3.1%
Elk Grove/Laguna	3,636,238	14.6%	12.4%
Power Inn Area	22,483,287	12.3%	10.3%
Northeast Sacramento	6,674,475	3.5%	4.0%
Rancho Cordova/Hwy. 50	20,231,455	3.7%	2.4%
Roseville/Rocklin/Lincoln	**15,425,845**	**4.6%**	**6.7%**
McClellan/I-80	7,968,389	5.2%	6.1%
Woodland/Davis	14,776,015	1.3%	4.1%
Folsom/El Dorado Hills	3,534,667	0.8%	0.6%
Total	**136,891,769**	**5.6%**	**5.7%**
Outlying Areas	**Total Net Rentable Area**	**1st Qtr. 2000 Vacancy**	**4th Qtr. 1999 Vacancy**
Vacaville	7,471,609	7.6%	7.9%
Fairfield	9,608,257	4.3%	4.8%
Auburn/Newcastle	2,125,404	2.0%	2.6%
Total	**19,205,270**	**5.3%**	5.8%
VALLEY TOTALS	**156,097,039**	**5.5%**	5.7%

This recent survey demonstrates that most sub-markets are performing very well (in the low single digit range), and only two sub-markets, Elk Grove/Laguna, and the Power Inn Area are experiencing vacancy rates in excess of 10%. The higher vacancy rates noted in these areas are primarily a result of increased speculative industrial development.

Historical Market Statistics

A table exhibiting historical industrial market statistics is presented below:

INDUSTRIAL MARKET STATISTICS										
Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Vacancy Rate	11%	11.5%	10.3%	10.1%	8.4%	7.2%	5.8%	5.2%	4.5%	5.7%
Warehouse Absorption	6.2 mil.	6.5 mil.	5.5 mil.	5.7 mil.	6.1 mil.	2 mil.	2.2 mil.	2.7 mil.	2.5 mil.	3.4 mil.
Improved Land/SF	$2.50-$4.50	$2.00-$3.00	$2.00-$3.00	$2.50-$3.25	$2.50-$3.25	$1.65-$3.00	$1.65-$3.00	N/A	N/A	N/A
Lease Rates-Warehouse/SF	$0.19	$0.21	$0.18	$0.18	$0.17	$0.25	$0.29	$0.30	$0.31	$0.32
Total Space Available	105 mil.	110 mil.	125 mil.	128 mil.	125 mil.	135 mil.	140 mil.	145 mil.	149 mil.	155 mil.

Source: CB Richard Ellis

RETAIL MARKET OVERVIEW[9]

Regional Discussion

The Sacramento retail market flourished during 1999 and 2000 is projected to be another great year. Vacancy rates dropped to its lowest level in over a decade during the fourth quarter of 1999. Net absorption is up dramatically from a year earlier while construction activity remains strong with lease rates remaining strong during the first quarter for most property types. Areas generating the most activity within the Sacramento Region include Roseville/Rocklin, Folsom, and Elk Grove/Laguna.

Roseville/Rocklin

Roseville continues to experience retail growth, with several projects currently proposed and under construction. A Lucky/Sav-On shopping center containing 65,350 square feet is proposed at the corner of Eureka Road and Sierra College Blvd. Construction has began on the massive Creekside Town Center located along the Highway 65 corridor. As proposed, this project will include 694,100 square feet of retail space. Construction of the Galleria, a 1.1 million square foot regional mall with Nordstrom, Macys, J.C. Penney and Sears, continued to proceed during the first quarter. The Galleria will be developed in one phase and will include more than 140 specialty stores and restaurants, as well as a 70,000 square foot theater complex. The mall is located at Harding Blvd. and Roseville Parkway. The grand opening is scheduled for August 2000. New restaurants have also been attracted to Roseville with the grand opening of Chile's during the fourth quarter and Claim Jumper, which is under construction.

A new project for West Roseville, The Fountains, located opposite the Galleria, will contain 304,000 square feet of retail space. In addition to retail space, The Fountains will offer 259,000 square feet of office space. Directly across the street is the planned Donahue Schriber retail project, (Creekside Town Center). The Fountains and Creekside Town Center will cater to all the non-mall retailers.

In the bordering town of Rocklin, Home Depot has announced plans for a new store at Stanford Ranch Crossing, which is located at the corner of Stanford Ranch Road and Roseville Parkway. The latest project announced for Rocklin is the Town Center at Blue Oaks, which as proposed will contain almost one million square feet of retail space. Construction on this power center has begun and plans call for developing a combined project with entertainment and large discount stores.

[9] Source: CB Richard Ellis published overviews and statistics.

Folsom

The retail sector of the Folsom real estate market continues to expand with Regal Cinemas breaking ground on their 65,000 square foot, 16 -screen theater complex in the new 500,000 square foot Broadstone power center. This center also features a 130,000 square foot Home Depot and will feature other Big Box retailers. Natoma Station Factory Outlets is constructing their 112,000 square foot, five building expansion. Additionally, plans were announced for the 143,000 square foot Bidwell Center that will include an Orchard supply store.

Elk Grove/Laguna

In the Elk Grove/Laguna area, a 79,000 square foot Winco opened at the southwest corner of Sheldon and Highway 99. At the intersection of Elk Grove-Florin and Calvine Roads, construction on a new Rite Aid is underway. The Bel Air anchored center on the southeast corner was recently completed. Plans were also announced for Laguna Village, a mixed use center on the northwest corner of Laguna Boulevard and Franklin Boulevard, which will consist of approximately 37,500 square feet of retail/restaurant space and 27,000 square feet of office space.

Other Retail Areas

Activity remained strong in other areas of the Sacramento retail market. Construction has been completed on a 25,000 square foot Staples in the Sunrise Trade Center just south of Folsom Boulevard, along the west line of Sunrise Boulevard in the Highway 50 corridor. A Walgreens recently completed construction at the southeast corner of Greenback Lane and Dewey Drive. In addition, construction was completed on a Rite Aid store at the corner of Alhambra Boulevard and "L" Street. At the southeast corner of Watt Avenue and Marconi Avenue a Raley's recently opened and a new Safeway and Longs at the northwest corner of Arden Way and Watt Avenue was completed. Best Buy and Linens 'N Things now occupy the former Best building on Arden Way. In the North Highlands area, on the southwest corner of Antelope and Roseville Road, plans were announced for 160,000 square foot center anchored by Petsmart and Home Depot. In the Auburn area, construction began on a 105,000 square foot Target store near the intersection of Highway 49 and Bell Road.

Vacancy Rates

The overall vacancy rate as of the first quarter 2000 was 6.8%. The vacancy rates through the first quarter of 2000 for the central business district and suburban areas are tabulated on the following page.

SACRAMENTO MSA RETAIL VACANCY STATISTICS
(First Quarter 2000)

MARKET AREA	GROSS LEASABLE AREA (SF)	GROSS AVAILABLE SPACE (SF)	PERCENT VACANT
Downtown/Midtown	212,060	800	14.5%
Northgate/Natomas	1,479,521	41,869	2.0%
Arden/Watt/Howe	2,519,640	107,514	4.3%
Carmichael	888,892	74,343	8.4%
North Highlands	1,517,374	109,979	7.2%
Citrus Heights/Fair Oaks	3,763,550	271,530	7.2%
Hwy 50/Rancho Cordova	1,719,724	186,886	10.9%
South Sacramento	4,008,547	473,810	11.87%
West Sacramento/Davis	851,310	61,864	7.3%
Laguna/Elk Grove	1,838,269	27,446	1.5%
Roseville/Rocklin	**3,370,207**	**167,420**	**5.0%**
Auburn/Loomis	815,252	18,973	2.3%
Greenhaven/Pocket	384,888	18,434	4.8%
Rosemont	958,026	99,132	10.3%
Folsom/El Dorado Hills	1,814,994	75,564	4.2%
Totals	**26,142,254**	**1,765,564**	**6.8%**

Source: CB Richard Ellis

A table exhibiting historical retail market statistics is offered as follows:

SACRAMENTO AREA RETAIL OVERVIEW				
Year	**Vac. Rates**	**Absorption**	**Rental Rates**	**Price for Land**
1985	5.70%	1.9 million SF	$1.00 - $2.00/SF	$4.00 - $20.00/SF
1986	7.04%	2.3 million SF	$1.10 - $2.50/SF	$4.50 - $20.00/SF
1987	5.57%	2.4 million SF	$1.10 - $1.50/SF	$4.50 - $25.00/SF
1988	10.00%	1.6 million SF	$1.15 - $2.25/SF	$5.00 - $20.00/SF
1989	9.52%	1.7 million SF	$1.15 - $2.50/SF	$5.00 - $22.00/SF
1990	8.67%	1.7 million SF	$1.35 - $2.50/SF	$5.00 - $20.00/SF
1991	9.98%	1.1 million SF	$1.35 - $2.50/SF	$5.00 - $20.00/SF
1992	9.40%	1.2 million SF	$1.15 - $2.25/SF	$5.00 - $20.00/SF
1993	10.40%	1.6 million SF	$1.35 - $1.85/SF	$5.00 - $20.00/SF
1994	8.60%	1.2 million SF	$1.35 - $1.85/SF	$5.00- $20.00/SF
1995	7.20%	n/a	$1.20 - $1.65/SF	$4.00 - $16.00/SF
1996	11.70%	n/a	$0.80 - $2.35/SF	$4.50 - $15.00/SF
1997	10.10%	509,545 SF	$0.90 - $2.15/SF	$4.00 - $15.00/SF
1998	7.14%	532,171 SF	$1.00 - $1.76/SF	$4.00 - $15.00/SF
1999	6.51%	944,840 SF	$1.00 - $2.13/SF	$ 4.00 - $20.00/SF

Source: CB Richard Ellis

New Construction and Retail Inventory

As of the end of the first quarter of 2000, nearly 18 million square feet of retail space was under construction, with approximately 300,000 square feet completed during this time frame. Most of this new construction was profiled in our previous discussion of active submarkets. In terms of concentration, 1,172,518 square feet of this total represents Power Center space, 54,176 square feet relates to Community Center development, 179,536 square feet represents Neighborhood Center Space, and the balance (321,650 square feet) is freestanding developments.

Due to an increasing residential base and job growth in the Sacramento region, there has been a demand for new retail centers. At least twenty-five major retail projects are either planned or under construction, which will add nearly 4 million square feet to the Sacramento retail market. Most of the new development is concentrated in the Roseville/Rocklin, Folsom/El Dorado Hills and Elk Grove/Laguna submarkets. The future increases in available retail space will create opportunity for retailers to either locate or expand into the Sacramento region.

Market Statistics

Retail rental rates increased slightly or remained stable for all property types during the fourth quarter. Growth areas, such as the Elk Grove/Laguna submarket, continued to demand the highest lease rates, with in-line Community Center spaces averaging $2.04 per square foot. In Folsom, rates averaged $1.64 during the first quarter. The Arden/Watt/Howe submarket saw the largest increase in lease rates during the first quarter where average rates jumped from $1.59 per square foot in the fourth quarter to $1.79 in the fourth quarter.

12 Month Projection

- Rents will begin to show modest increases, especially in new power centers, in high growth areas and in new construction at infill locations.
- Rents for older/existing centers will increase slightly, while market/drug centers will hover at $1.60 to $1.85 in the newer areas.
- A projected long-term rise in the employment growth rate will have a positive impact on not only home sales, but also durable goods and furniture sales.
- Power center development will continue to lead in retail construction over the next 12 months.
- The availability of land for retail pad use will allow several quick service restaurants to expand into outlying suburban areas. McDonalds, Taco Bell, and Jack-in-the-Box are all competing for quality sites that satisfy their specific demographic requirements. Other retailers, such as auto related services, service stations and casual theme restaurants are seeking quality pad sites as well.
- Over the next 12 months, the Sacramento region will likely mirror the activity and expansion seen over the last year with some stabilization.

OFFICE MARKET OVERVIEW[10]

Absorption

According to CB Richard Ellis, activity for the office building market in the Sacramento Area finished strong in 1998, and remained strong throughout 1999, which was one of the most successful years for Sacramento in recent history. There were a total of 33 new office buildings completed, which added approximately 2.6 million square feet of net rentable area. However, it was the net absorption of 2.5 million square feet during 1999 that was most impressive, more than twice that absorbed during 1998.

For the reader's reference, we have tabulated the first quarter 2000 net absorption totals by submarket, as well as the year to date net absorption. These figures are presented below:

Submarket	Year to Date Net Absorption (Total SF)
Downtown Sacramento	342,554
South Natomas	19,637
Northgate/Natomas	17,892
Midtown	(10,379)
Campus Commons	(9,550)
Point West	12,184
Howe/Fulton	1,851
Watt Avenue	-71,267
Hwy 50 Corridor	72,642
Carmichael/Fair Oaks	-562
Citrus Heights/Orangevale	-133
Roseville/Rocklin	228,729
South Sacramento	53,188
East Sacramento	0
West Sacramento	(2,650)
Folsom	38,925
Market Total	**350,499**

Source: CB Richard Ellis

[10] Source: CB Richard Ellis published overviews and statistics.

Vacancy Rates

The region's overall vacancy rate for the first quarter of 2000 was 9.5%. This is the same as the fourth quarter of 1999. Thirty-three new buildings, with a total square footage of 2.6 million square feet, were completed during 1999, and there is currently 916,390 square feet under construction. While the construction activity is expected to continue through 2000, the rate of development is likely to be slower than what occurred in 1999. A large amount of the leasing activity in the first quarter took place in Folsom, along the Highway 50 Corridor and in the Roseville/Rocklin submarkets.

The vacancy rates through the first quarter of 2000 for the central business district and suburban areas are tabulated below.

Area	4th Quarter 1999 Vacancy Rates	1st Quarter 2000 Vacancy Rated
Central Business District	6.2%	6.26
South Natomas	8.7%	5.77
Northgate/Natomas	13.4%	12.46
Midtown	10.2%	10.80
Campus Commons	14.2%	14.84
Point West	4.6%	4.00
Howe/Fulton	8.6%	8.51
Watt Avenue	3.9%	9.16
Highway 50 Corridor	6.8%	8.12
Carmichael/Fair Oaks	8.0%	8.24
Citrus Heights/Orangevale	5.1%	4.58
Roseville/Rocklin	12.3%	8.26
South Sacramento	14.0%	9.67
East Sacramento	0.0%	0.00
West Sacramento	15.6%	16.27
Folsom	6.0%	7.43

Source: CB Richard Ellis

This recent survey demonstrates that most submarkets are performing well, with vacancy rates less than 10%. There are some areas that are experiencing above average vacancy rates. However, this is due in large part to the significant amount of new product brought to market during 1999. The vacancy rate for Sacramento is expected to remain stable during 2000, with increases occurring from the amount of product currently under construction that is scheduled for completion during 2000. It should be noted that the above rates include all types of office buildings, including general office, medical office and office space for buildings located within industrial parks. In addition, it should be noted that the above statistics do not include office buildings with fewer than 4,000 square feet.

In general, properties with good quality office improvements typically experience high occupancy levels, with little or no vacancy. As previously mention there is 916,390 square feet of office space currently under construction, 16% of which is pre-leased, in the Sacramento area. The majority of construction activity is occurring in Roseville/Rocklin with 420,390 square feet, the Highway 50 Corridor with 230,000 square feet, Folsom with 117,000 square feet and South Natomas with 149,000 square feet. The first half of 2000 should expect a steady amount of positive net absorption of office product considering the amount scheduled for completion.

A table exhibiting historical office statistics is presented below.

OFFICE OVERVIEW OF THE SACRAMENTO AREA				
Year	Vacancy Rate	Absorption (SF)	Rent	Total Space Inventory
1985	25.9%	2,100,000	$1.05 - $2.25/SF	18,000,000
1986	23.1%	2,300,000	$0.90 - $2.25/SF	20,000,000
1987	20.15%	2,700,000	$1.05 - $2.20/SF	24,000,000
1988	17.12%	2,900,000	$1.10 - $2.20/SF	26,000,000
1989	18.49%	2,460,000	$1.10 - $2.50/SF	29,000,000
1990	13.3%	3,000,000	$1.10 - $2.50/SF	30,000,000
1991	13%	1,800,000	$1.00 - $2.50/SF	32,000,000
1992	16.3%	1,600,000	$0.75 - $2.65/SF	33,500,000
1993	15.99%	750,000	$0.85 - $2.40/SF	33,448,000
1994	12.53%	739,132	$0.85 - $2.40/SF	33,178,000
1995	12.25%	1,053,918	$0.90 - $2.40/SF	33,636,714
1996	9.81%	531,914	$0.85 - $2.40/SF	33,949,837
1997	9.48%	540,458	$0.85 - $2.60/sf	34,359,435
1998	8.27%	805,951	$1.00 - $2.60/sf	33,493,847
1999	7.89%	2,589,228	$1.18 - $2.05/sf	36,170,683

Source: CB Richard Ellis & Grubb & Ellis

Economic Conditions

The unemployment rate in the Sacramento area dropped to a record low of 3.5% during the fourth quarter of 1999. This is the lowest level in the last fifty years. The unemployment rate is lower than the statewide average, which fell to a fourth quarter rate of 4.6%, as a result of the number of jobs created due to the amount of ongoing construction (which added 2,600 jobs in 1999). Consistent strength was exhibited by many sectors of the economy, including Business and Financial Services, Insurance and Real Estate. The majority of the job growth has been experienced by administrative positions, which directly supports the need for additional office space. The government and services industries also increased with 6,900 and 6,700 additional jobs in the fourth quarter, respectively. The total job growth in the Sacramento MSA grew by 19,700 jobs.

Forecast - Next 12 months

- Net absorption for office space is expected to remain steady with positive net absorption in the first half of 2000, as 16% of office space currently under construction has already been pre-leased;

- Overall vacancy rates are expected to remain steady with little fluctuation. Some markets may see an increase due to the completion of new product in the first half of 2000;

- Build-to-suit projects will remain the most desirable investment and will be aggressively pursued by development companies;

- In light of Sacramento's strong high tech presence, the local market is predicted to continue to attract technology-related companies. This trend has been attributed to lower housing costs, lower wage rates and the absence of seismic activity; and

- As a result of the decreasing unemployment rate in the Sacramento area, absorption figures should continue to be strong and vacancy rates should remain relatively low.

PROPERTY IDENTIFICATION AND LEGAL DATA (update)

Assessor's Parcel Numbers

Prior to its recently approved final map, the subject property consisted of four legal parcels. However, these parcels have been subdivided to create 21 new legal parcels. The subject's new assessor's parcel numbers were not available at the time of this report. Therefore, subject's previous four legal parcels are tabulated below, also presented is the land area for each parcel:

Assessor's Parcel Number	Size (net acres)
017-061-016	7.50
017-280-003	4.70
017-061-017	56.90
017-270-004	33.60
Total	**102.70**

A net acreage (net of roadways) tabulation is presented on the facing page.

Legal Description

A complete legal description of the subject property is provided in the title report included in the Addenda to this report.

Ownership

Title to the subject property is vested in Sierra Calvine LLC, a California Limited Liability Company.

Assessment and Tax Information

Property taxes in the State of California are based on a property tax rate of 1%, applied to the March 1, 1975 full cash value of the property with increases limited to 2% per year. Properties sold or constructed after March 1, 1975 are assessed at the sales price or current market value indicated by the transaction. Taxes may be increased above the 1-% limit to cover bonded indebtedness authorized by voters.

The existing real estate taxes are of nominal consequence in this appraisal, primarily due to the fact these taxes will be adjusted substantially as the remaining infrastructure and property improvements are completed and in consideration of the definition of market value employed in this appraisal, which assumes a sale of the appraised property.

With respect to special taxes, please refer to table #5 within the Placer Corporate Center Assessment District Report. A copy of this document is included in the Addenda to our original report.

Zoning

The subject property represents a variety of zonings. However, the economic uses generally fall within two categories; Industrial and Commercial designations. The subject property received approval for a Master Conditional Use Permit and Tentative Map on September 28, 1992. On March 23, 1995, Stanford Ranch (the owner at that time) received approval from the Planning Commission to modify a number of conditions of approval for the project.

In July of 1997, the Board of Supervisors approved the Sunset Industrial Area Plan (includes the subject property). This new area plan modified the 1980 Sunset General Plan. The Board's approval of this new plan area changed the land use designation and zoning of the subject property. The most significant change was to allow commercial land uses to be located along the north and south sides of Sunset Boulevard.

As approved, the subject's 21 lots are designated for the following land uses:

Lot #	Acres	Classification	Lot #	Acres	Classification
1	8.04	Industrial	12	2.76	Industrial
2	9.06	Industrial	13	4.84	Industrial
3	6.97	Industrial	14	3.63	Industrial
4	4.62	Industrial	15	4.20	Commercial/Business Professional
5	2.73	Industrial	16	3.09	Commercial/Business Professional
6	1.00	Highway Commercial	17	1.13	Highway Commercial
7	3.56	Commercial/Business Professional	18	1.08	Highway Commercial
8	3.00	Industrial	19	3.83	Commercial/Business Professional
9	3.48	Industrial	20	1.01	Highway Commercial
10	3.17	Industrial	21	3.24	Commercial/Business Professional
11	2.12	Industrial			
			Total	76.56	

Flood Zone

The majority of the subject is located in Flood Zone C, areas of minimal flooding. However, a portion of the subject property (identified as Lot A) represents a protected wetlands and land within the 100-year flood plain of the North Fork of the Pleasant Grove Creek. The subject's flood zone designation is depicted on F.I.R.M. (FEMA) Community Map and Panel No. 060239-0413 C; dated April 18, 1983.

Earthquake Zone

The subject property is not located within a seismic special studies zone, designated by the California State Division of Mines and Geology, in accordance with the Alquist-Priolo Special Study Zone Act of 1972.

Easements

Based on our review of the preliminary title report (included in our original report), public roadway and utility easements exist. These easements are typical for properties in Placer County and are not considered to adversely affect the market value of the subject property.

Fee Credits

The subject property will receive fee credits for regional and sub-regional improvements that will be constructed as a part of the development of the Placer Corporate Center. Some of the more significant improvements represented by the fee credits include; the project's Master Drainage Study, right-of-way dedications for the proposed interchange at Highway 65 and Sunset Boulevard, and regional improvements to the Placer County Water Agency (PWCA) infrastructure.

Based on preliminary estimates provided by the property owner. The total reimbursements/credits should approximate $698,926, or $0.21 per square foot of developable land area. The details surrounding this estimate are presented in correspondence from the property owner, included in the addenda to our original report.

Later in the Valuation Analysis and Conclusions section of the report, the fee credit will be included in the process of estimating market value. The value of the fee credit is estimated at $0.20 per square foot of land area.

SITE DESCRIPTION

Size:	The subject property consists of 106.22± gross acres of land. After construction of roadways and the creation of wetlands/open space, the net land area will be 76.56± acres.
Proposed Subdivision:	As previously discussed, the subject has been subdivided to create 21 parcels. Please refer to the previously presented land use entitlement chart for a tabulation of the parcels/lots and their respective sizes (acreage).
Shape:	The combined area of the subject parcels is irregular in shape. However, the subject's irregular shape does not adversely affect its overall functional utility.
Topography:	The topography of the subject is gently to moderately rolling with areas of locally steep terrain near the existing creek channel. Based on the plans prepared by Spannagel and Associates, site elevations vary from approximately 120 to 150 feet.
Drainage:	Based on our physical inspection of the subject property and the development patterns in the immediate area, it appears that the subject will offer adequate drainage with appropriate grading and paving.
Frontage/Visibility:	The premium frontage will be enjoyed by the subject's commercial designated land components. These land uses are positioned along both the northern and southern sides of Sunset Boulevard, with corner orientations once the subject's interior routes are completed. The typical uses, which correspond with the remaining land designations offered by the subject, are less dependent on visibility (industrial and commercial/business professional land). However, a number of the subject's proposed industrial lots will offer adequate frontage along Industrial Boulevard.
Offsite Improvements:	Currently, the subject property is underimproved with only asphalt paved roads and open drainage. However, as proposed the subject property will be fully improved with all offsite improvements, including curbs, gutters, sidewalks and street lighting. See our discussion under Infrastructure and Facilities to be funded by Assessment District for a more detailed description of the proposed improvements.

Access:

Access to the subject property is provided via either Sunset Boulevard or Industrial Boulevard. As proposed the subject's interior lots will be accessible via a loop road, which will begin at its southern most point along the east line of Industrial Boulevard. This route, South Loop Road, will bisect the subject's southern most land area (south side of Sunset Boulevard) and intersect Sunset Boulevard. This roadway will continue through the northern portion of the subject property as Placer Corporate Drive. This loop road terminates at Industrial Boulevard, approximately 1/10 a mile north of Sunset Boulevard. The intersection at Placer Corporate Drive/South Loop Road and Sunset Boulevard will be signalized. Two cul-de-sac routes will offer additional accessibility to the subject land. One cul-de-sac will begin at the arch of Placer Corporate Drive and the other will connect with Industrial Boulevard, near the northern most portion of the subject property. Proposed parcel #3 (6.97 acre industrial site) will be accessible via an access easement across parcel #2. Based on the location of the access easement it is concluded that neither parcel #2 nor parcel #3 will be adversely impacted by the ingress, egress and utility easement across parcel #2. A map of the Placer Corporate Center is included in the Addenda to this report. This map depicts the proposed circulation patterns for this project.

Adjacent Land Uses:

North – Industrial land with development underway.

South – Vacant land designated for industrial development (this land area is within the city limits of Rocklin).

East – Highway 65 separating the subject from the city limits of Rocklin and a combination of vacant land designated for business park development and existing development. Most notably among the existing developments is the Herman Miller facility and Atherton Center.

West – A combination of vacant land and existing improvements which includes a portion of Hewlett Packard's Placer County/Roseville operations.

Utilities:

All public utilities including electricity, natural gas, water, sewer and telephone service are readily accessible to the subject property. Extensions will be required for the development of the subject property as proposed and funding will be done through the formation of an Assessment District. More details regarding utility extensions will be presented in our discussion of the infrastructure and facilities to be completed by the proposed assessment district.

Soils: A soils report, prepared by Wallace Kuhl & Associates indicates that with proper preparation the subject property will be able to support any legally permissible uses. This conclusion is supported by the existence of industrial and commercial structures situated on surrounding parcels. Thus, it appears the subject possesses adequate load bearing capacity for any legally permissible development.

Agricultural Preserve: The subject is not affected by the Williamson Act or any other county, state or federal agricultural/wildlife persevere restrictions.

Wetlands: Based on our inspection of the subject site and according to the Placer County Planning Department, the subject is encumbered by a protected wetlands area. However, through a prescribed mitigation program the wetlands will not impede development for the unaffected land areas.

Functional Adequacy: The future infrastructure of the Placer Corporate Center, from a conceptual standpoint, will have access from one half-loop roadway system and two cul-de-sac routes. This interior street system will serve all of the various parcels and future parking lot facilities. Based upon this plan, overall functional utility is considered to be good due primarily to proposed traffic circulation patterns and thoroughfare linkage to Highway 65. Highway 65 provides direct access to Interstate 80 less than four miles to the southeast.

Conclusion: The configuration and size of the subject's proposed lots are considered adequate for their planned respective uses (industrial, office and retail development).

FACILITIES TO BE FUNDED BY THE ASSESSMENT DISTRICT

As previously indicated, this report will address the prospective value of the subject property, assuming the completion of the improvements embodied in the Placer Corporate Center Assessment District. The improvements include all roadways, sewer, water, storm drainage, dry utilities and appurtenances necessary for development of each lot in the subdivision. Capacity for extension of services is provided where appropriate. The improvements include:

Industrial Boulevard

Extend existing sanitary sewer and widen roadway to provide left turn pocket at South Loop Road, Signalize the South Loop Road intersection.

Industrial Boulevard

Widen roadway and provide left turn capacity. Install water, sewer and storm drain facilities. Signalize the Placer Corporate Drive intersection. Relocate existing telephone and gas facilities as required.

Sunset Boulevard

Widen roadway to provide four lanes, center landscaped median, deceleration lanes and transitions to existing improvements within a 134' right of way. Remove the existing connection to Placer Boulevard.

Placer Boulevard

Construct a cul-de-sac turn around.

Placer Corporate Center Drive

Construct a 62' roadway with curb, gutter, sidewalk, water, sewer, storm drainage, dry utilities and appurtenances.

Technology Court

Construct a 54' roadway with curb, gutter, sidewalk, water, sewer, storm drainage, dry utilities and appurtenances.

Cyber Court

Construct a 54' roadway with curb, gutter, sidewalk, water, sewer, storm drainage, dry utilities and appurtenances.

South Loop Road

Construct a 62' roadway with curb, gutter, sidewalk, water, sewer, storm drainage, dry utilities and appurtenances.

South Loop Road

Construct a 28' roadway with sanitary sewer within a 50' right of way.

LOT ACREAGE TABLE

Placer Corporate Center
Placer County, California

Lot No.	Designation	Net Acres	Net Acres	Net Acres
1	Industrial	8.04		
2	Industrial	9.06		
3	Industrial	6.97		
4	Industrial	4.62		
5	Industrial	2.73		
6	Highway Commercial		1.00	
7	Commercial/Business Professional			3.56
8	Industrial	3		
9	Industrial	3.48		
10	Industrial	3.17		
11	Industrial	2.12		
12	Industrial	2.76		
13	Industrial	4.84		
14	Industrial	3.63		
15	Commercial/Business Professional			4.20
16	Commercial/Business Professional			3.09
17	Highway Commercial		1.13	
18	Highway Commercial		1.08	
19	Commercial/Business Professional			3.83
20	Highway Commercial		1.01	
21	Commercial/Business Professional			3.24
	Sub-total	54.42	4.22	17.92
	As a Percentage	71.08%	5.51%	23.41%
Grand Total				**76.56**

SALES HISTORY

Title to the subject property transferred to the current owners on September 21, 1998. The all cash to the seller price was $3,689,532, or $34,735 per acre (equates to $0.80 per square foot of land area). Due primarily to continued improvements in market conditions, as well as progress made in the development timeline for the subject property, this September 1998 transfer of the subject property is judged to have little, if any, bearing on the subject's current market value. The subject's as-is value will be discussed in greater detail later in this report.

The subject property is currently being marketed by a professional brokerage company. In fact, five of the subject's 21 lots/parcels have been sold to third parties. An additional seven lots represent pending sale transactions. Another four lots are the subject of current negotiations with draft contracts in place. Thus, only five lots are still available with no form of negotiations currently underway.

A summary of the recent sales within the subject development is presented in the table below (inclusive of bond indebtedness and estimated fee credits):

		SALE PRICES	
Lot #	**Acres**	**Total**	**Price Per SF**
2	9.06	$ 1,254,998	$ 3.18
10	3.17	$ 611,717	$ 4.43
11	2.12	$ 409,098	$ 4.43
12	2.76	$ 532,599	$ 4.43
19	3.83	$ 804,144	$ 4.82

Lots 10, 11, and 12 transferred as a bulk sale and, based on currnet market information appear to reflect a discount for this factor. It should also be noted that lot 19 was one of the first transactions within the subject and, based on the data set complied to value this land component this sale appears to include some level of seller motivation (presumably motivation to initiate sales momentum in the development).

The subject's seven pending transfers are summarized below:

PENDING SALE PRICES					
Lot #	Acres		Total		Price Per SF
3	6.97	$	965,490	$	3.18
5	2.73	$	497,081	$	4.18
6	1.00	$	210,395	$	4.83
7	3.56	$	749,005	$	4.83
8	3.00	$	631,184	$	4.83
9	3.48	$	732,174	$	4.83
17	1.13	$	715,700	$	14.54

Lots 6 through 9 are transferring as a bulk sale and based on the data set presented later in this report reflect a discounted value for the wholesale nature of this sale.

The unexecuted contracts for the purchase of lots within the subject development are profiled below (inclusive of bonds and fee credits):

UNEXECUTED CONTRACT PRICES					
Lot #	Acres		Total		Price Per SF
13	4.84	$	1,092,101	$	5.18
14	3.63	$	819,076	$	5.18
15	4.20	$	1,046,485	$	5.72
16	3.09	$	769,914	$	5.72

For the reader's reference we have tabulated below the asking prices for the subject's proposed lots (inclusive of bonds and fee credits):

ASKING PRICES					
Lot #	Acres		Total		Price Per SF
1	8.04	$	1,639,059	$	4.68
4	4.62	$	941,847	$	4.68
18	1.08	$	742,977	$	15.79
20	1.01	$	694,821	$	15.79
21	3.24	$	891,925	$	6.32

Based on our market investigation, the subject's asking prices for Industrial, Commercial Business and Professional and Highway Commercial land is generally consistent with current market data.

TIME TO COMPLETE

The subject's infrastructure improvements could be completed within five to six months from the date of this analysis.

HIGHEST AND BEST USE ANALYSIS

After reanalyzing the four components of highest and best use in sequential order, it is our conclusion that the highest and best use of the subject property as vacant is for development of a mixed-use development. This conclusion is consistent with the conclusion in our original report.

INTRODUCTION

As indicated earlier, this report is concerned with the subject's as-is value, as well as its aggregate retail value and its bulk or wholesale value. The aggregate retail value and bulk or wholesale value estimates are based on the assumption that the construction of improvements financed with Assessment District funds have been completed and these facilities are available for use. In our original report we estimated the subject's as-is value by employing the sales comparison approach and the subdivision development method.

Considering the fact that five parcels within the subject development have recently transferred and that site development work is well underway, we have concluded that the sales comparison approach to value (for the subject property as a whole) is not appropriate. Instead, we will exclusively rely on the subdivision development method to value, based on the subject's proposed land uses. Under the subdivision development method we will initially employ the sales comparison approach to value the subject's land components and thus derive the total aggregate retail value. This sales comparison approach will then be integrated with the discounted cash flow analysis to reflect the present value of the property appraised. This value estimate will represent the subject's bulk, or wholesale value as improved. Following this value estimate we will again utilize the discounted cash flow methodology to estimate the subject's as-is value. In this later analysis the cost to complete site development will be reflected to derive a residual or remainder value, which represents the appraised property's as-is value.

SUBDIVISION DEVELOPMENT METHOD

Introduction

This valuation analysis is concerned with estimating the value of the Placer Corporate Center. Three values will be estimated in this section. First we will determine the prospective aggregate retail value of the property which will be followed by the as-is and wholesale (or bulk) value, as improved. We will employ the subdivision development method to value, based on the subject's proposed land uses. Under the subdivision development method we will initially employ the sales comparison approach to value the subject's proposed land components and thus derive the total aggregate retail value. This sales comparison approach will then be integrated with the discounted cash flow analysis to reflect the present value of the property appraised. This value estimate will represent the subject's bulk, or wholesale value, as improved. Following this value estimate we will again utilize the discounted cash flow methodology to estimate the subject's as-is value. In this later analysis the cost to complete site development will be reflected to derive a residual or remainder value which represents the appraised property's as-is value.

The subdivision development method is defined as follows:

> A method of estimating land value when subdivision and development are the highest and best use of the parcel of land being appraised. All direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price of the finished lots; the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the raw land.[11]

The four main components of our discounted cash flow analysis are listed as follows

- **Revenue** – the total gross income of the various components is derived in this section.

- **Absorption Analysis** – the time frame required to sell-off the land components are estimated under this section. Of primary importance in this analysis is the allocation of the revenue over the absorption period – including the estimation of an appreciation factor (if any).

- **Expenses** – the expenses associated with the sell-off are calculated in this section – including administration, marketing and commission costs, as well as taxes, and interim bond payments. The as-is valuation will also address site development costs.

- **Discount Rate** – the appropriate discount rate is derived in this portion of the analysis employing a variety of data sources.

[11] The Dictionary of Real Estate Appraisal, 3rd ed. (Chicago: Appraisal Institute, 1993) 354.

Our discussion of these four components begins as follows, with our discounted cash flow analysis presented at the end of this section.

Revenue

In this section we will calculate the various components of income associated with the development of the subject property. The revenue components are tabulated as follows:

- Industrial Land
- Commercial/Business Professional Land
- Highway Commercial Land

Industrial Land

The combined total of industrial zoned land comprises 54.42 net acres, or 71.08% of the entire subject property. This industrial designation provides for light manufacturing, processing, assembling, research, wholesale and storage uses, public and quasi-public uses and similar compatible uses.

Our survey exhibited a correlation between price paid per square foot and land area. Generally the market data illustrates an inverse relationship in that the larger land areas typically transfer at lower prices per unit, all else being equal. Therefore, to facilitate this analysis we have categorized the subject's industrial land component based on the proposed lot sizes. We have further categorized the subject lots to identify those lots, which offer visibility from Highway 65. Thus, for purposes of this analysis three categories have been established. Category I represents the subject's non-Highway 65 lots ranging in size between 2 and 5 acres. Category II represents the subject's lots ranging in size from 2 to 5 acres, with visibility from Highway 65. Category III represents the subject's 6.97 to 9.06 are sites with visibility from highway 65.

It should be noted that the subject's development incentive (fee credits) required an adjustment when equating most of the comparables to the subject property. The development incentive is estimated at $0.20 per square foot.

In order to establish the market value for the subject industrial land, sales, pending sales, and an unexecuted contract for industrial parcels were investigated throughout the south Placer County area, as well as competing areas. The results of this survey are briefly summarized within the chart on the following page, with a location map facing. Detailed sales sheets and discussion of each sale follows the map and summary.

Commercial/Business Professional Land

Based on the subject's proposed development, there are approximately 17.92 net acres of office land uses planned for the subject property. This designation provides for all office uses, permitted under Placer County's General Commercial (C2) zoning classifications. Also, permitted is an array of retail uses. For the reader's references a copy of Placer County's C2 zoning designation is included in the Addenda to our original report. Based on the physical characteristics of the subject's commercial/business professional sites (discussed under the Highest and Best Use section of our original report) we have concluded office type development is the most likely use for these proposed lots. As previously indicated, we have based our value estimates on the proposed site plan for the Placer Corporate Center. As proposed the subject will include 5 commercial business professional lots.

Our survey indicated that sites, which offer visibility and accessibility from a major thoroughfare, typically achieve a premium. Therefore, to facilitate this analysis we have categorized the subject's Commercial/Business Professional land component based on those lots with visibility from Highway 65, versus those without this attribute. Category I represents the subject's proposed lots with direct visibility from Highway 65. The subject's category II lots are represented by the lots located along Sunset Boulevard, two parcels west of Highway 65.

Similar to the subject's industrial land, the subject's commercial/business professional land is entitled to a development incentive. In terms of adjustment, the development incentive is estimated to have a positive impact to the subject property, concluded at $0.20 per square foot.

For purposes of analysis, sales of office land or comparably zoned land parcels have been investigated throughout the greater Sacramento area. The results of this survey are briefly summarized within the chart on the following page, with a location map facing. Detailed sales sheets and a discussion of each sale follows the map and summary:

Highway Commercial Land Sales

Based on the existing development plan there are 4.22 net acres of Highway Commercial designated land planned for the subject property. This classification allows for restaurants, retail, amusement, hotel and motel uses, mid-rise offices, public and quasi-public uses and similar compatible uses.

Our survey indicated that sales, which offer visibility and accessibility from a major thoroughfare, typically achieve a premium. Therefore, to facilitate this analysis we have categorized the subject's Highway Commercial land component based on those lots with unobstructed visibility from Highway 65, versus those without this attribute. Category I represent the subject's proposed lots with direct visibility from Highway 65. The subject's category II lots are represented by the lots located along Sunset Boulevard, one parcel west of Highway 65.

Again, similar to the subject's other land components, the Highway Commercial land within Placer Corporate Center is concluded to have a development incentive, which positively impacts the property. The estimated benefit equates to $0.20 per square foot.

For purposes of analysis, sales of highway commercial or comparably zoned land parcels have been investigated in and around the greater Sacramento area. The results of this survey are briefly summarized within the chart on the following page, with a location map facing. Detailed sales sheets and a discussion of each sale follows the map and summary:

TOTAL AGGREGATE RETAIL VALUE

Placer Corporate Center
Placer County, California

Lot No.	Designation	Net Acres	Net Square Footage	Value Est./SF	Extension
1	Industrial	8.04	350,222	$ 3.18	$ 1,113,707
2	Industrial	9.06	394,654	$ 3.18	$ 1,254,998
3	Industrial	6.97	303,613	$ 3.18	$ 965,490
4	Industrial	4.62	201,247	$ 4.18	$ 841,213
5	Industrial	2.73	118,919	$ 4.18	$ 497,081
6	Highway Commercial	1.00	43,560	$ 12.79	$ 557,132
7	Commercial/Business Professional	3.56	155,074	$ 5.07	$ 786,223
8	Industrial	3	130,680	$ 4.18	$ 546,242
9	Industrial	3.48	151,589	$ 4.18	$ 633,641
10	Industrial	3.17	138,085	$ 4.18	$ 577,196
11	Industrial	2.12	92,347	$ 4.18	$ 386,011
12	Industrial	2.76	120,226	$ 4.18	$ 502,543
13	Industrial	4.84	210,830	$ 5.18	$ 1,092,101
14	Industrial	3.63	158,123	$ 5.18	$ 819,076
15	Commercial/Business Professional	4.20	182,952	$ 5.72	$ 1,046,485
16	Commercial/Business Professional	3.09	134,600	$ 5.72	$ 769,914
17	Highway Commercial	1.13	49,223	$ 14.27	$ 702,409
18	Highway Commercial	1.08	47,045	$ 14.27	$ 671,329
19	Commercial/Business Professional	3.83	166,835	$ 5.72	$ 954,295
20	Highway Commercial	1.01	43,996	$ 12.79	$ 562,704
21	Commercial/Business Professional	3.24	141,134	$ 5.07	$ 715,551
	Total	76.56	3,334,954		$ 15,995,345
	Rounded				**$ 15,995,000**

Revenue Summary – Component Values

The preceding analysis established the estimates of value for the subject's various land components. These values are reiterated on the facing page. As previously discussed, these estimates of market value are inclusive of the current and anticipated future bonded indebtedness.

As discussed throughout this report, to estimate the prospective value of the subject property, assuming completion of the improvements to be funded by the Placer Corporate Center Assessment District Bonds, with the various land use designations previously discussed, a discounted analysis will be employed. In this process, the sales of the various components of the project are scheduled over an absorption period in keeping with forecasts of market demand. The sales estimates are based on the component values previously established and trended to reflect appreciation in line with current economic forecasts.

From the revenue, deductions are required for administrative expenses, marketing costs, annual property taxes and special taxes. The net cash flows are then discounted over time to reflect the present value of the project. This analysis will be repeated to estimate the subject's as-is value. This later valuation will also reflect a deduction for the remaining infrastructure development costs.

At this point in the analysis, the revenue portion of the discounted analysis has been established. The following three sections (Absorption Analysis, Expenses and Discount Rate) will complete our discussion of the four segments of the subdivision development method of valuation.

Absorption Analysis

In this section of the report, we will discuss the absorption period (time), appreciation factor and summarize the annual disposition of the revenue components.

Absorption Period

In attempting to estimate the marketing time, which would be required for the disposition of the land components, we have looked at both the historical marketing times of a number of sales, as well as current and projected economic conditions. For the most part, the sales, which have been used in this report, sold in a 3 to 12 month time frame.

In review, the Roseville/Rocklin/Lincoln submarket comprises 11.3% of the Greater Sacramento Industrial Market (see facing page). As detailed within this chart, the subject's current market share represents the submarket's peak in terms of overall market activity. After this submarket's previous high in 1989, the Roseville/Rocklin/Lincoln area experienced a drop in activity (as a percentage of the overall Sacramento market). At that time the submarket then began a steady pace of increasing its market share, with 1999 representing its latest high. This growth trend is expected to continue, particularly in light of the industrial land made available within the subject project. Additional insight into the marketplace can be gleaned from this data when looking at the historical growth rate of the overall industrial market. After significant growth during the mid to late 1980's, the market slowed to a near standstill from 1992 through 1994. This decline ended in 1995 when the market grew by 3.24%, and indicated an increase of 2.67% in 1996 and an increase of 3.60% in 1997. It should be noted that until 1998 the Roseville/Rocklin/Lincoln submarket has enjoyed an overall vacancy rate below that of the entire Sacramento industrial market. The primary reason for its higher than regional vacancy rate since 1998 is the level of new construction in this submarket. The current level of new speculative construction has skewed the current vacancy rates.

Possibly the best illustration of the demand within the subject's area is the market's acceptance of commercial and industrial land between the subject property and Interstate 80. The subject property itself is a clear illustration of this acceptance, as of the date of this appraisal 42.81 acres of industrial and commercial land within the Placer Corporate Center development are either under contract for sale or have already transferred. An additional 15.76 acres, or 20.58% of the entire project, are currently under negotiations for sale. Thus, in total 77% of the entire Placer Corporate Center project has either recently transferred, is covered by a pending sale, or is the subject of currnet negotiations for sale. Most of the closed and pending sales, as well as some currnet negotiations, where previously discussed in the sales comparison portion of this report. The impetus within the subject development is the industrial land component. Considering the growth in other mixed use neighborhoods, the industrial sector acts as the catalyst which then promotes expansion in the office land sector and then eventually the commercial components. This progression is also exhibited for the subject's development.

Another factor, which must be considered in estimating the absorption of these properties, is the existing and anticipated growth of the residential market in the south Placer submarket. As of the date of this appraisal, the Placer submarket (as reported by the Meyers Group) was the 3rd most active residential submarket in the region (in terms of sales). According to the first quarter 2000 Meyers Group report, the Placer submarket captured 21% of the total sales activity for the region. It is anticipated that this growth in the residential base will continue and in turn generate the need for professional services such as medical, financial and real estate.

Based on the size, number of parcels and variety of zonings included within this project, as well as its market acceptance, it is anticipated that a 12 month absorption period will be required for the sale of the subject's not yet transferred parcels. While we are not concluding that the entire project will be built-out at this point in time, we are assuming that the subject owner would have sold all of the parcels and that some of these parcels may be resold at a later time. It is anticipated that the industrial zoned parcels will be in the greatest demand, followed by office and commercial land.

The subject's 20.94 acres, which have just recently transferred, will be removed from the discounting assumptions.

Based on recent trends we have concluded the following; 1) with declining trends in the vacancy rate of the overall industrial market there should be a steady absorption of existing inventories of competing land, and 2) based on the equilibrium of supply and demand, it is anticipated that prices will increase at a rate similar to the overall rate of inflation, or 3.0% annually.

Annual Appreciation

Considering the short period estimated for the absorption of the subject's yet unsold lots, we have concluded that an appreciation factor is not warranted.

Estimated Disposition

In developing a disposition schedule for the subject's various components, we have attempted to consider both the impacts of present market conditions as well as anticipated market scenarios, which could impact the subject property. However, real estate is cyclical in nature, and it is impossible to accurately forecast and project specific demand over a projected 12 month absorption period.

Even so, for purposes of this analysis we have projected the quarterly disposition of the subject's land components. As noted earlier in this report, portions of the subject's industrial and office land have already transferred, with additional land area covered by pending sales and negotaitons for sale. Combined 77% of the entire Placer Corporate Center development is represented by one of the scenarios listed above (closed sale, pending sale, or under negotaitons for sale).

For purposes of this analysis the subject's 20.94 acres, which have recently transferred, will be excluded from the discounting assumptions and added to the present value of the discounted portion of the subject property. Considering the work yet to be completed at the project (completion of grading and installation of street improvements...) no sales are projected in the 1st quarter of the estimated absorption period. We have projected that the next transfer of parcels will occur in the second quarter of the 12 month absorption period. The second quarter sales are projected to include all of the parcels, which currently represent pending transactions (parcels 3, 5, 6, 7, 8, 9 and 17). The third quarter sales are projected to include the parcels, which are currently under negotaitons for sale (13, 14, 15, and 16), as well as parcels 20 and 21. The fourth and final quarters Projected to include parcels 1, 4 and 18. Presented on the facing page is a summary of projected absorption, by quarter.

Expenses

Marketing Costs/Commissions/Closing Costs/Administrative

Commissions and closing costs relative to the disposition of the subject's lots are estimated at 4% of the total retail value. Although this rate is somewhat negotiable, it is considered to be consistent with current industry trends, and includes closing costs.

Administrative Expense - This expense category covers the various administrative costs associated with managing the overall development. This would include management, legal and accounting fees and other professional services common to a large-scale development. For purposes of this analysis we have estimated this expense at 2% of the gross sale proceeds.

Thus, we have included an allowance of 6% for marketing costs, commissions, closing costs, and administrative expenses.

Interim Taxes and Assessments

For purposes of this analysis, we will rely upon the existing tax base as of the date of this appraisal. Interim real estate taxes are based on the subject's current tax rate (1.00%). The taxes are anticipated to increase 2.0% annually. As the parcels are sold off, the average tax liability is estimated and then applied to the unsold inventory.

Assessment District

Also deducted are estimated assessment district interest and principal and interest expenses. For purposes of this analsyuis we have projected bonds to sell in July 2000, with the closing to occur by July 15, 2000. We have furthered assumed that the first payment in March 2001 will be an interest only payment. After the March 2001 interest only payment the projected absorption period will have only one remaining month. Thus, one month and principal and interest is projected for the last month of the estaimted absorption period.

The interest only payment and the principal and interest estimate present in the following discounted cash flow is premised on the following assumptions:

- 7% interest rate
- 25 year term
- 4 quarter in the absorption period, with 90 days per quarter
- Sell-out per quarter per previous estimate

Similar to our discussion above regarding real estate taxes, as the parcels are sold off, the average annual bond assessment is estimated and then applied to the unsold inventory schedule of the estimated assessment payments is included in the addenda to this report. For reader's refernce a summary of the quarterly assessments are presented in the table below:

Quarter	Payment
1	$52,839
2	$52,839
3	$32,063
4	$18,387

Site Development

According to information provided by the developer, the development costs for the entire project are estimated at $4,955,923 ($4,455,923 reported in the Engineer's Report + $500,000 in indirect costs). The developer has estimated that approximately 15% of the direct costs have been expended at this time, with all of the indirect costs incurred at this time. Thus, in terms of cost to compete we have the total remaining costs at $3,287,534 ($4,955,923 - $668,388 ($4,455,923 x 15%) - $500,000).

It is anticipated that the remaining development work could be completed by mid September 2000.

Developer Fee

The purpose of many investor proformas is to illustrate the potential for a specific bottomline profit assuming a certain purchase price and marketing effort for a specific property. Thus, in this analysis a line item is not included. The profit to the developer will be accounted for in the discount rate estimated for the net cash flows. However, developers do incur costs for the administration of land development projects. Based on our prior analysis of similar projects and the survey results complied by Price Waterhouse Coopers, "developer fees" for land development typically range from 2% to 5% of sales revenue. The most common response was 3% of sales revenue. For purposes of this analysis, the developer's fee is assumed to be 3% of the sales revenue.

Discount Rate

According to a leading publication within the appraisal industry, *The Real Estate Investor Survey*[12], discount rates for land development range from 8.00% to 20.00%, with a median of 12.08%. The discount rates are based on a survey that includes residential, office, retail, and industrial developments.

[12] The Real Estate Investor Survey, PriceWaterhouseCoopers, Fourth Quarter, 1999

Participants in the survey indicate the highest expected returns are on large-scale, unapproved developments. The low end of the range was extracted from projects where certain development risks had been lessened or eliminated. Several respondents indicate that they expect slightly lower returns when approvals/entitlements are already in place.

While the subject property is still considered to exhibit a certain degree of risk, the positive attributes of the subject include: 1) visibility and accessibility from Highway 65, 2) all entitlements are in place, 3) approximately 77% of the project has either transferred, is under contract for purchase, or the subject of purchase negotiations, and 3) the overall strength of the Sacramento Industrial Market tend to lessen the perceived risk.

Based on the attributes of the subject property, which have been discussed throughout the report, we have concluded an appropriate discount rate should be consistent with the median cited by the survey. Thus, we have utilized a discount factor of 12% in this analysis.

Conclusion

After deriving the four components of the subdivision development approach, our discounted cash flow and value conclusion is offered on the following pages. The first discounted cash flow presented relates to the subject's prospective value with all infrastructure work completed (bulk value as complete). The second analysis pertains to the subject's as-is value. Thus, this later analysis will reflect all development costs (direct and indirect costs).

CONCLUSION

The purpose of this appraisal has been to estimate the market value of the subject property as is progresses through the development process. This valuation addressed the subject's as-is value as vacant land entitled for mixed-use development (site development underway). Also presented was an analysis of the subject's prospective value, based on the completion of the infrastructure and facilities to be funded by the Placer Corporate Center Assessment District. Two prospective values were included, the first represented the subject's aggregate retail value and the second addressed the subject's improved value in bulk. For the reader's refernce our value conclusions are summarized below:

Prospective Aggregate Retail Value of the Improved Lots at Completion of the Site Improvements to be Funded by the Placer Corporate Center Assessment District (May 2001):	**$15,995,000**
Prospective Market Value (in bulk) of the Improved Lots at Completion of the Site Improvements to be Funded by the Placer Corporate Center Assessment District (September 2000):	**$13,604,000**
As-Is Value of the Subject Property (May 6, 2000):	**$10,413,000**

The subject's current value estimate, at the completion of public infrastructure improvements, is approximately 5% greater than our previously concluded value estimate. The primary factors that have contributed to the higher value estimate at this point relate to the transfer of a portion of the subject property to third parties, with additional lots scheduled to transfer within the next six months. These market factors prompted a shorter projection period for the projects overall absorption. Furthermore, considering the fact that several of the subject's have already transferred, we were compelled to value these lots outside the discount factors applied to the remaining land components. Combined these value enhancing factors have resulted in a greater value estimate now versus the date of our original appraisal.

DISCOUNTED CASH FLOW ANALYSIS

PLACER CORPORATE CENTER - AT COMPLETION OF DEVELOPMENT (BULK VALUE)

Placer County, California

Assumptions:

	# of Acres	Aggregate Value
Industrial	54.42	$ 9,229,000
Office	17.92	$ 4,272,000
Highway Commercal	4.22	$ 2,494,000
Total	76.56	$ 15,995,000
Transferred Acreage	-20.94	
Untransfered Acreage	55.62	

Annual Appreciation	3.0%
Administrative Expense (% sales)	2.0%
Marketing and Commissions	4.0%
Annual increase in Property Tax	2.0%
First year annual taxes per acre:	$1,567
Development Costs	
Discount Rate (IRR)	12.0%

Income and Expense Analysis:

Quarter	1	2	3	4	Total
Inflation Factor:	1.000	1.030	1.061	1.093	
Sales (Acres)	0.00	21.87	20.01	13.74	55.62
Inventory (Acres):	55.62	33.75	13.74	0.00	
Total Sales Revenue	$ -	$ 4,688,219	$ 5,005,832	$ 2,626,250	
Expenses					
Administrative	$ -	$ (93,764)	$ (100,117)	$ (52,525)	
Marketing/Commissions	$ -	$ (187,529)	$ (200,233)	$ (105,050)	
Real Estate Taxes	$ (87,151)	$ (88,894)	$ (53,941)	$ (21,960)	
CFD Assessments	$ (52,839)	$ (52,839)	$ (32,063)	$ (18,387)	
Development Costs	$ -	$ -	$ -	$ -	
Total Expenses	$ (139,990)	$ (423,027)	$ (386,354)	$ (197,922)	
Developer's Fee @ 3%	$ -	$ (140,647)	$ (150,175)	$ (78,787)	
NET INCOME	$ (139,990)	$ 4,124,546	$ 4,469,304	$ 2,349,540	
Present Value Factor at 12%	0.97087	0.94260	0.91514	0.88849	
Discounted Cash Flow	$ (135,913)	$ 3,887,780	$ 4,090,048	$ 2,087,536	
Net Present Value	$ 9,929,451				
Transferred Land Value	$ 3,675,044				
Total	$ 13,604,495				

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD) **$ 13,604,000**

DISCOUNTED CASH FLOW ANALYSIS

PLACER CORPORATE CENTER - AS IS VALUE

Placer County, California

Assumptions:

	# of Acres	Aggregate Value
Industrial	54.42	$ 9,229,000
Office	17.92	$ 4,272,000
Highway Commercal	4.22	$ 2,494,000
Total	76.56	$ 15,995,000
Transferred Acreage	-20.94	
Untransfered Acreage	55.62	

Annual Appreciation	3.0%
Administrative Expense (% sales)	2.0%
Marketing and Commissions	4.0%
Annual increase in Property Tax	2.0%
First year annual taxes per acre:	$1,567
Development Costs	$ 3,287,534
Discount Rate (IRR)	12.0%

Income and Expense Analysis:

Quarter	1	2	3	4	Total
Inflation Factor:	1.000	1.030	1.061	1.093	
Sales (Acres)	0.00	21.87	20.01	13.74	55.62
Inventory (Acres):	55.62	33.75	13.74	0.00	
Total Sales Revenue	$ -	$ 4,688,219	$ 5,005,832	$ 2,626,250	
Expenses					
Administrative	$ -	$ (93,764)	$ (100,117)	$ (52,525)	
Marketing/Commissions	$ -	$ (187,529)	$ (200,233)	$ (105,050)	
Real Estate Taxes	$ (87,151)	$ (88,894)	$ (53,941)	$ (21,960)	
CFD Assessments	$ (52,839)	$ (52,839)	$ (32,063)	$ (18,387)	
Development Costs	$ (3,287,534)	$ -	$ -	$ -	
Total Expenses	$ (3,427,524)	$ (423,027)	$ (386,354)	$ (197,922)	
Developer's Fee @ 3%	$ -	$ (140,647)	$ (150,175)	$ (78,787)	
NET INCOME	$ (3,427,524)	$ 4,124,546	$ 4,469,304	$ 2,349,540	
Present Value Factor at 12%	0.97087	0.94260	0.91514	0.88849	
Discounted Cash Flow	$ (3,327,694)	$ 3,887,780	$ 4,090,048	$ 2,087,536	
Net Present Value	$ 6,737,670				
Transferred Land Value	$ 3,675,044				
Total	$ 10,412,714				

CONCLUSION OF VALUE BY DISCOUNTED CASH FLOW ANALYSIS (RD) **$ 10,413,000**

APPENDIX D

UNAUDITED—REVIEWED FINANCIAL STATEMENTS OF THE DEVELOPER
FOR THE YEAR ENDED DECEMBER 31, 1999

THIS PAGE INTENTIONALLY LEFT BLANK

Norman W. Marcoux, CPA, Incorporated

ACCOUNTANT'S REVIEW REPORT

To the Members
SIERRA CALVINE, LLC

I have reviewed the accompanying statement of assets, liabilities, and members' equity—cash basis of Sierra Calvine, LLC (a limited liability company) as of December 31, 1999, and the related statements of revenues and expenses— cash basis and changes in members' equity— cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management (members) of Sierra Calvine, LLC.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modification that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, as described in Note 1.

Norman W. Marcoux, CPA, Inc.

Sacramento, California
April 12, 2000

350 University Ave, Suite 107 Sacramento, California 95825 (916) 927-7772 Fax (916) 927-7779

SIERRA CALVINE, LLC

STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY

December 31, 1999

ASSETS

Current assets:	
Cash	$ 7,098
Total current assets	7,098
Land	4,922,607
Other assets:	
Loan Fees (net of amortization)	41,812
Capitalized Costs	993,110
Total assets	$ 5,964,627

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:	
Advance payable to Sierra Holdings, LLC	$ 175,000
Total current liabilities	175,000
Long-term portion of notes payable (Note 2)	4,900,000
Members' equity	889,627
Total liabilities and Members' equity	$ 5,964,627

See accompanying notes to financial statements and accountant's review report.

SIERRA CALVINE, LLC

STATEMENT OF REVENUE AND EXPENSES

For the Year Ended December 31, 1999

Revenue:	
Interest income	$ 4,284
Total revenue	4,284
Expenses:	
Administrative fees	60,000
Amortization	55,750
Contingency fees	2,495
Legal fees	14,429
Loan fee	2,429
Postage and delivery	10
Printing	760
Property tax	65,711
California income tax	2,087
Total expenses	203,671
Net income (loss)	$ (199,387)

See accompanying notes to financial statements and accountant's review report.

SIERRA CALVINE, LLC

STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the Year Ended December 31, 1999

	SIERRA HOLDINGS, LLC	PLACER CORP	SIERRA CHICAGO II	DAVID ECONOME	SUZANNE KAI	TOTAL
Balance, December 31, 1998	$ 2,100	$ 988,984	$ (351)	$ (1,706)	$ (13)	$ 989,014
Capital Contributions	100,000	-0-	-0-	-0-	-0-	100,000
Net Income (loss)	(139,569)	(17,946)	(7,974)	(31,904)	(1,994)	(199,387)
Balance, December 31, 1999	$ (37,469)	$ 971,038	$ (8,325)	$ (33,610)	$ (2,007)	$ 889,627

See accompanying notes to financial statements and accountant's review report.

SIERRA CALVINE, LLC

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 1999

Cash flows from operating activities:	
Interest received	$ 4,284
Cash paid to vendors	(147,921)
Net cash (used) provided by operating activities	(143,637)
Cash flows from investing activities:	
Cash payments for the purchase of property	-0-
Cash payments for capitalized improvements	(697,328)
Net cash (used) provided by investing activities	(697,328)
Cash flows from financing activities:	
Net borrowings (pay down) of short-term debt	175,000
Net borrowings (pay down) of long-term debt	400,000
Member contributions	100,000
Net cash (used) provided by financing activities	674,200
Net increase (decrease) in cash and equivalents	(166,765)
Cash at beginning of year	173,863
Cash at end of year	$ 7,098

See accompanying notes to financial statements and accountant's review report.

SIERRA CALVINE, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 1999

1. Organization and summary of significant accounting policies:

Organization:

SIERRA CALVINE, LLC, A California Limited Liability Company, owns two properties located in the Sacramento Metropolitan area. The two sites are planned for development into commercial and industrial buildings. Sierra Calvine, LLC intends to prepare the sites for development by completing the necessary entitlements for the properties and constructing the appropriate infrastructure. Once the infrastructure and entitlements are complete the properties will be marketed for sale and ultimately sold.

The LLC's profits to be allocated 50% to the lender and then the remaining 50% according to the Members' profit sharing percentages as listed below:

Member Name	Profit Sharing
Sierra Holdings, LLC	70.00%
David Econome	16.00%
Placer Corp	9.00%
Sierra Chicago II	4.00%
Suzanne J Kai	1.00%

Summary of Significant Accounting Policies:

Basis of Accounting - The Company's policy is to prepare its financial statements on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents - For purposes of the statements of cash flows, the Membership considers all short-term instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 1999.

SIERRA CALVINE, LLC

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1999

2. Long-term debt:

At December 31, 1999, long-term debt consisted of the following:

	1999
Note payable to Lehman Ali, Inc., to be repaid on the first day of each calendar month at any time when the funds in the Operating Account exceed Remaining Project Costs. Interest will accrue at a rate of 12.25% per annum. Payments will first be applied to accrued interest and then to the principal balance. The note is due September 1, 2000.	$4,890,000
Note payable to Lehman Ali, Inc., to be repaid after 1) the above note payable and all accrued interest, 2) the accrued interest at 12.25% per annum of this note, 3) Sierra Calvine, LLC members have received a total equal to their equity. This note guarantees Lehman Ali, Inc. a 50% interest in the profit earned above items 1 through 3 above and any costs Sierra Calvine, LLC incurs beyond the loan amount. The note is due September 1, 2004 but may be called with thirty days notice any time after September 1, 2002.	10,000
Total long-term debt	$4,900,000

SIERRA CALVINE, LLC

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 1999

3. Related Party Transactions

The LLC has a management agreement with two other entities, Sierra Holdings, LLC and Sierra Affiliates, LLC, that share some common members. The management fees paid to the two related LLCs total $60,000.

At December 31, 1999 Sierra Calvine, LLC owes Sierra Holdings, LLC, a member of Sierra Calvine, LLC, $175,000. This amount is due upon demand.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATES

APPENDIX E-1

FORM OF CONTINUING DISCLOSURE CERTIFICATE OF THE COUNTY

This Continuing Disclosure Certificate (this "**Disclosure Certificate**"), dated as of [Closing Date], 2000, is executed and delivered by the County of Placer (the "**County**") in connection with the execution and delivery of the $3,495,000 aggregate principal amount of Limited Obligation Improvement Bonds (the "**Bonds**") for the County's Placer Corporate Center Assessment District No. 1 (the "**Assessment District**"). The Bonds are being issued pursuant to the Improvement Bond Act of 1915 and the terms of a resolution authorizing issuance of the Bonds (the "**Resolution**") adopted by Board of Supervisors of the County on July 11, 2000. The County hereby covenants and agrees as follows:

Section 1. **Purpose of the Disclosure Certificate**. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Underwriters (as defined below) in complying with the Rule (as defined below).

Section 2. **Definitions**. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

"**Annual Report**" means any Annual Report of the County provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**Beneficial Owner**" means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"**Commission**" means the Securities and Exchange Commission.

"**Disclosure Representative**" means the County Executive Officer or his or her designee, or such other officer or employee as the County shall designate in writing to the Dissemination Agent from time to time.

"**Dissemination Agent**" means, initially, ____________________________, or any successor Dissemination Agent designated in writing by the County, which successor Dissemination Agent has filed with the then current Dissemination Agent a written acceptance of such designation.

"**Listed Events**" means any of the events listed in section 5(a) of this Disclosure Certificate.

"**National Repository**" means any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Currently, the National Repositories are the four entities set forth in Exhibit A to this Disclosure Certificate.

"**Repository**" means each National Repository and each State Repository.

"**Rule**" means paragraph (b) (5) of Rule 15c2-12 adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"**State Repository**" means any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule and recognized as such by the Commission. As of the date of this Disclosure Certificate, there is no State Repository.

"**Underwriter**" means the original purchaser of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

Section 3. **Provision of Annual Reports**.

(a) The County shall, or shall cause the Dissemination Agent by written direction to such Dissemination Agent to, not later than the 31st day of March after the end of the County's fiscal year (which currently ends on June 30), commencing with the report for the fiscal year ending June 30, 2000, provide to each Repository and the Underwriter an Annual Report of the County which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate. The County intends to incorporate its audited financial statements in each Annual Report by reference. If the County's fiscal year changes, the County shall give notice of such change in the same manner as for a Listed Event under subsection 5(c).

(b) So long as the Dissemination Agent is an entity other than the County, then the provisions of this Section 3(b) shall apply. Not later than 15 Business Days prior to the date specified in subsection (a) above for providing each Annual Report to Repositories, the County shall provide such Annual Reports to the Dissemination Agent. If by fifteen (15) Business Days prior to such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the County to determine if the County will be filing the Annual Report in compliance with subsection (a). The County shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the County and shall have no duty or obligation to review such Annual Report.

(c) If the County Treasurer is the Dissemination Agent and the County is unable to provide to the Repositories such Annual Reports by the date specified in subsection (a) above, the County Treasurer shall send a notice to each Repository and the Municipal Securities Rulemaking Board in substantially the form of Exhibit B to this Disclosure Certificate.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any;

(ii) provide the Annual Report to each Repository and the Underwriter in accordance with subsection (a) above; and

(iii) file a report with the County certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

Section 4. **Content of Annual Reports**. The Annual Reports of the County shall contain or include by reference the following:

(a) The audited financial statements of the County for the fiscal year most recently ended, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board and reporting standards as set forth by the State Controller in "State of California Accounting Standards and Procedures for Counties;" provide that, as indicated in Section 3 of this Certificate, the County intends to incorporate its audited financial statements in the Annual Reports by reference only and does not intend to physically include a copy thereof.

(b) In addition to incorporation of the County's audited financial statement by reference, the Annual Report shall contain or incorporate by reference the following information:

(i) the principal amount of Bonds outstanding as of the September 30 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Resolution as of the September 30 preceding the filing of the Annual Report;

(iii) an update of the information in the Official Statement for the Bonds set forth under the caption "THE PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1 – 2000-01 Assessment Installments", including the information set forth in tabular form therein, with the information respecting such installments in each case to pertain to the current property tax year of the County;

(iv) a table setting forth the assessed value of land and improvements, by individual parcel, for each parcel which remains subject to an unpaid assessment, with the assessed value to be derived from the County's equalized assessment roll for the then current property tax year of the County; and

(v) a list of all parcels, if any, for which any installment or portion of an installment of the unpaid assessment is delinquent, together with the following information respecting each such parcel: (A) the amount delinquent (exclusive of late charges and monthly penalties for reinstatement); (B) the date (December 10 or April 10) of the first delinquency; (C) in the event a foreclosure complaint has been filed respecting such delinquent parcel and such complaint has not been dismissed, the date on which the complaint was filed in the Placer County Superior Court; and (D) in the event a foreclosure sale has occurred respecting such delinquent parcel, a summary of the results of such foreclosure sale.

(c) Any or all of the items listed in (a) or (b) above may be included by specific reference to other documents, including official statements or other disclosure documents of debt issues of the County or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so included by reference.

The contents, presentation and format of the Annual Reports may be modified from time to time as determined in the judgment of the County to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the County or to reflect changes in the business, structure, operations, legal form of the County or any mergers, consolidations, acquisitions or dispositions made by or affecting the County; provided that any such modifications shall comply with the requirements of the Rule.

Section 5. **Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 5, the County shall give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions or events affecting the tax status of the Bonds;

(vii) modifications to the rights of Owners of the Bonds;

(viii) unscheduled redemption of any Bond;

(ix) defeasances;

(x) any release, substitution, or sale of property securing repayment of the Bonds; and

(xi) rating changes.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event, the County shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) The County determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the County shall promptly file, or cause the Dissemination Agent to file, a notice of such event with the Municipal Securities Rulemaking Board and the State Repository, if any. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (viii) and (ix) above need not be given under this subsection any earlier than when the notice, if any, of the underlying event is given to Owners of affected Bonds pursuant to the Indenture.

(d) If the County determines that knowledge of the occurrence of a Listed Event would not be material under applicable federal securities laws and if the Dissemination Agent is other than the County, the County shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to the foregoing subsection (c).

(e) The County hereby acknowledges that the undertaking set forth in this Disclosure Certificate is the responsibility of the County, and the Dissemination Agent (if other than the County) shall not be responsible for determining whether the County's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. **Termination of Reporting Obligation**. The obligations of the County and the Dissemination Agent (if other than the County) under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under subsection 5(c).

Section 7. **Dissemination Agent**. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing sixty (60) days written notice to the County. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate.

Section 8. **Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of subsection 3(a), section 4, or subsection 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertakings, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the County shall describe such amendment in its next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under subsection 5(c), and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. **Additional Information**. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, including the information then contained in the County's official statements or other disclosure documents relating to debt issuances, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. **Default**. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Fiscal Agent Agreement with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance, and no person or entity shall be entitled to recover monetary damages under this Disclosure Certificate.

Section 11. **Duties, Immunities and Liabilities of Dissemination Agent**. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the County agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. **Beneficiaries**. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Underwriters, the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. **Governing Law**. This certificate shall be governed by the laws of the State of California and the federal securities laws.

COUNTY OF PLACER

By:____________________________________
County Treasurer

EXHIBIT A

LIST OF NATIONAL REPOSITORIES

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission:

Bloomberg Municipal Repository
P.O. Box 840
Princeton, NJ 08542-0840
Telephone: (609) 279-3225
Fax: (609) 279-5962 or (609) 279-5963
E-mail: MUNIS@bloomberg.com

Standard & Poor's J.J. Kenny Repository
55 Water Street, 45th Floor
New York, NY 10041
Telephone: (212) 438-4595
Fax: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

Interactive Data
Attn: Repository
100 Williams Street
New York, NY 10038
Telephone: (212) 771-6899
Fax: (212) 771-7390
E-mail: NRMSIR@interactivedata.com
Website: http://www.InteractiveData.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Telephone: (201) 346-0701
Fax: (201) 947-0107
E-mail: nrmsir@dpcdata.com

EXHIBIT B

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: County of Placer, California

Name of Issue: $__________ aggregate principal amount of Limited Obligation Improvement Bonds for the County's Placer Corporate Center Assessment District No. 1

Issuance Date: August __, 2000

NOTICE IS HEREBY GIVEN that the COUNTY OF PLACER (the "**County**") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate dated as of ___________, 2000, executed and delivered by the County. [The County anticipates the Annual Report will be filed by ____________________.]

Dated:_____________

COUNTY OF PLACER

By:_______________________________________
Title:______________________________________

APPENDIX E-2

FORM OF CONTINUING DISCLOSURE CERTIFICATE OF SIERRA CALVINE, LLC

This Continuing Disclosure Certificate (the "**Disclosure Certificate**") is executed and delivered by Sierra Calvine LLC, a California limited liability company ("**Sierra Calvine**"), in connection with the issuance by the County of Placer (the "**Issuer**") of its $3,495,000 Limited Obligation Improvement Bonds (the "**Bonds**") for its Placer Corporate Center Assessment District No. 1 (the "**District**"). The Bonds are being issued pursuant to the resolution authorizing issuance of bonds (the "**Resolution**"), adopted by the Board of Supervisors of the Issuer (the "**Board**") on July 11, 2000, providing for the issuance, sale and delivery of the Bonds. Pursuant to the Resolution, the County Treasurer is appointed as the paying agent, registrar and transfer agent (the "**Paying Agent**"). Sierra Calvine covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by Sierra Calvine to assist the Underwriter (as defined below), as the original purchaser of the Bonds, in the marketing of the Bonds.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"**Annual Report**" means any Annual Report provided by Sierra Calvine pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**Dissemination Agent**" means an entity selected and retained by the Issuer, or any successor thereto, notice of which selection is given by the Issuer to Sierra Calvine. Absent further notice, the Dissemination Agent is ____________________.

"**Issuer**" means the County of Placer, California.

"**Listed Events**" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"**Repository**" means each National Repository and each State Repository, if any, established pursuant to and within the meaning of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. As of the date hereof, the National Repositories are the four (4) listed in Exhibit A hereof, and there is no State Repository.

"**Sierra Calvine**" means, for all purposes of this Disclosure Certificate, including but not limited to the annual report and reporting of significant events, Sierra Calvine, LLC; any entity in which Sierra Calvine, LLC, has a beneficial interest; and any entity to which Sierra Calvine, LLC, transfers its entire remaining interest in property in the District.

"**Underwriter**" means the original purchaser of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) Sierra Calvine shall, not later than the 31st day of March of each year, commencing March 31, 2001, provide to the Dissemination Agent an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate, with a copy to the Issuer and to the Underwriter. Sierra Calvine shall provide a written certification with each Annual Report furnished to the Dissemination Agent and the Issuer to the effect that the Annual Report is being provided pursuant to this Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If Sierra Calvine is unable to provide to the Dissemination Agent an Annual Report by the date required in subsection (a), Sierra Calvine shall send a notice to the Dissemination Agent in substantially the form attached as Exhibit B.

(c) Upon receipt of the Annual Report from Sierra Calvine, the Dissemination Agent shall file the same forthwith with each Repository not later than the fifteenth day of the month in which the Annual Report is received from Sierra Calvine.

SECTION 4. Content of Annual Reports. Sierra Calvine's Annual Report shall contain or incorporate by reference the following, if material:

(a) a description of the status of the construction and installation of the Improvements described in the Official Statement for the Bonds under the caption "THE PLACER CORPORATE CENTER ASSESSMENT DISTRICT NO. 1 – Description of Improvements;"

(b) a description of the status of development on property owned by Sierra Calvine within the District, including but not limited to the issuance of building permits respecting any parcel therein, and the issuance of any occupancy permits respecting completed structures therein;

(c) a description of any sales of property within the District by Sierra Calvine since the previous Annual Report, and the status of any land purchase contracts with regard to property within the District and owned by Sierra Calvine;

(d) any denial of credit, lines of credit, loans, or loss of source of capital that could have a significant impact on Sierra Calvine's ability to pay assessments or to develop its property in the District as contemplated in the Official Statement;

(e) any failure by Sierra Calvine to pay when due general property taxes or assessments installments with respect to its property in the District; and

(f) any previously undisclosed amendments to the land use entitlements, environmental conditions or other governmental conditions that are necessary to complete the development of Sierra Calvine's property within the District.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, Sierra Calvine shall give to the Dissemination Agent notice of the occurrence of any of the following events with respect to the Bonds, if material:

(i) failure to pay any property taxes (including any assessments) levied within the District on a parcel owned by Sierra Calvine;

(ii) the discovery of toxic material or hazardous waste which will require remediation on any property owned by Sierra Calvine subject to the Assessment;

(iii) default by Sierra Calvine on any loan with respect to the construction or permanent financing of public or private improvements with respect to the Project Area;

(iv) initiation of bankruptcy proceedings (whether voluntary or involuntary) by Sierra Calvine or any related entity; or

(v) the termination prior to full disbursement of availability of incremental disbursements of proceeds of any loan, the proceeds of which were loaned to Sierra Calvine to facilitate the cost of construction of improvements to the land within the District;

(b) Whenever Sierra Calvine obtains knowledge of the occurrence of a Listed Event, Sierra Calvine shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If Sierra Calvine determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, Sierra Calvine shall promptly provide a notice of such occurrence to the Dissemination Agent, with a copy to the Issuer.

SECTION 6. Termination of Reporting Obligation. Sierra Calvine's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. In addition Sierra Calvine shall have no obligations hereunder if the assessments of the District on all property within the District owned by Sierra Calvine and affiliates or partners thereof is less than twenty percent (20%) of the total assessments originally levied for the entire District. If such termination occurs prior to the final maturity of the Bonds, Sierra Calvine shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, Sierra Calvine may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided mat the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements or change in law;

(b) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, Sierra Calvine shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by Sierra Calvine.

SECTION 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent Sierra Calvine from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If Sierra Calvine chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, Sierra Calvine shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Default. In the event of a failure of Sierra Calvine to comply win any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take any actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause Sierra Calvine to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of Sierra Calvine to comply win this Disclosure Certificate shall be an action to compel performance.

SECTION 10. Subsequent Developers. Sierra Calvine will require, as a condition of sale of any property which Sierra Calvine sells within the Project resulting in a new owner who together with affiliates or partners thereof, owns property subject to at least twenty percent (20%) of the total assessments for the entire District, that such purchaser execute a certificate substantially in the form of this Certificate, unless this Certificate, as it may have been amended, by its own terms does not require the purchaser to provide any disclosure or unless such purchaser has previously executed a certificate substantially in the form of this Certificate. Failure of Sierra Calvine to obtain such a certificate from its purchaser shall not, however, prevent the sale of the property from closing.

SECTION 11. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

To Sierra Calvine:	Sierra Calvine LLC 3600 American River Drive, Suite 105 Sacramento, CA 95864 Attention: Chris N. Vrame
To the Paying Agent:	County Treasurer-Tax Collector 2976 Richardson Drive Auburn, CA 95603-2640 Attention: County Treasurer
To the Dissemination Agent:	[To Come]

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Paying Agent, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: ___________, 2000

Sierra Calvine, LLC,
a California limited liability company

By_______________________________________
(Name)

____
(Title)

EXHIBIT A

LIST OF NATIONAL REPOSITORIES

Nationally Recognized Municipal Securities Information Repositories approved by the Securities and Exchange Commission as of the date of this Certificate:

Bloomberg Municipal Repository
P.O.Box 840
Princeton, NJ 08542-0840
Telephone: (609) 279-3225
Fax: (609) 279-5962 or (609) 279-5963
E-mail: MUNIS@bloomberg.com

Standard & Poor's J.J. Kenny Repository
55 Water Street, 45th Floor
New York, NY 10041
Telephone: (212) 438-4595
Fax: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

Interactive Data
Attn: Repository
100 Williams Street
New York, NY 10038
Telephone: (212) 771-6899
Fax: (212) 771-7390
E-mail: NRMSIR@interactivedata.com
Website: http://www.InteractiveData.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Telephone: (201) 346-0701
Fax: (201) 947-0107
E-mail: nrmsir@dpcdata.com

EXHIBIT B

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: County of Placer

Name of Bond Issue: $4,156,129 Limited Obligation Improvement Bonds
Placer Corporate Center Assessment District No. 1

Date of Issuance: August __, 2000

NOTICE IS HEREBY GIVEN that Sierra Calvine LLC ("**Sierra Calvine**") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate of Sierra Calvine dated as of the date of issuance of such Bonds. Sierra Calvine anticipates that the Annual Report will be filed by ____________________.

Dated: __________

[Dissemination Agent], on behalf of Sierra Calvine

By: ____________________________________

Its: ____________________________________

cc: Sierra Calvine

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

Closing Date, 2000

Board of Supervisors
County of Placer
175 Fulweiler Avenue
Auburn, CA 95603

County of Placer
Placer Corporate Center Assessment District No. 1
Limited Obligation Improvement Bonds
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the County of Placer (the "**Issuer**") of $3,495,000 aggregate principal amount of the County of Placer, Placer Corporate Center Assessment District No. 1 Limited Obligation Improvement Bonds (the "**Bonds**") pursuant to the provisions of the Municipal Improvement Act of 1913 and the Improvement Bond Act of 1915 and Resolution No. 2000-149, adopted by the Board of Supervisors on July 11, 2000 (the "**Resolution**"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

In such connection, we have reviewed the Resolution, the Tax Certificate of the Issuer dated the date hereof (the "**Tax Certificate**") an opinion of counsel to the Issuer, certifications of the Issuer and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

Certain agreements, requirements and procedures contained or referred to in the Resolution, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinion, referred to in the second paragraph hereof.

Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolution and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other similar laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against counties in the State of California.

We express no opinion on the plans, specifications, maps and other engineering details of the proceedings, or upon the validity of the individual separate assessments securing the Bonds which validity depends, in addition to the legal steps required, upon the accuracy of certain of the engineering details. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding special assessment obligations of the Issuer, payable solely from and secured by the unpaid assessments and certain funds held under the Resolution.

2. The Resolution has been duly adopted and constitutes a valid and binding obligation of the Issuer.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

Per

1228 N Street, Suite 13
Sacramento, CA 95814
(916) 444-5100

Government
Financial
Strategies
inc.